EXHIBIT 8

AMERICAS SALES COMPENSATION OPERATIONS
U.S. & CANADA SALES COMPENSATION IMPLEMENTATION GUIDELINES
HP Restricted

Organization:	Americas (AMS) SC Operations	**Effective Date:**	01-Nov-2006
Sponsor:	Becky Kidd +1 404-648-8971	**Revision Date:**	25-June-2007
AMS Contact:	Kim Murphy +1 916-785-6110		
US (AMS):	Refer to U.S. SCO org chart : http://americas-sales-comp.corp.hp.com/AMS%20SCO%20Org_June%202007_v2.ppt		
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Location of Document

WW E2E Sales Compensation Webpage, under "Governance" menu, "Global & Region SC":	http://wwsalescomp.corp.hp.com/index.html
Americas SCO webpage, Policies menu:	http://americas-sales-comp.corp.hp.com/
Americas SCO Repository, Policies button: *(for internal SCO reference only)*	http://americas-sales-comp.corp.hp.com/1sw/smc-repository/SCO05.asp
Americas SCO SharePoint, BP&C/FY07 Process Policy Updates and Approvals folder: *(for internal SCO reference only)*	http://na2.know.hp.com/teams/us_sco/US%20SCO%20Documents/Forms/WebFldr.aspx

Purpose:	The HP Global Sales Compensation Policy (HP062-01) provides the worldwide approach to sales crediting and compensation: http://wwsalescomp.corp.hp.com/Policy/GlobalSCPolicy_FY07_V1_10-31-06.pdf The U.S. and Canada Sales Compensation Implementation Guidelines document provides details on the U.S. and Canada implementation of the global policy and provides further clarity on sales crediting practices.
Overview:	This FY07 U.S. and Canada Sales Compensation Implementation Guidelines document is published by Americas Sales Compensation Operations (SCO) and is intended solely for the use of sales employees and those organizations that support them. This document is intended for sales employees participating in a HP Sales Plan from November 2006 through October 2007 (FY07). All Sales Plans and these Guidelines are Hewlett-Packard (HP) Restricted and for internal use only. Nothing in these Guidelines shall be construed to imply the creation of or existence of a contract between Hewlett-Packard and any participant, nor a guarantee of employment for any specified period of time. No plan participant will have any right to monies accrued through their assigned Sales Plan until and unless all terms, provisions, and conditions, as set forth in the plan, have been met. Hewlett-Packard reserves the right to adjust the plan to address significant unforeseen business issues. Hewlett-Packard also reserves the right to change these Guidelines at any time. Employees leaving Hewlett-Packard are required to return this document and all materials concerning HP Sales Compensation to their managers.

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Crediting Assumptions and Timing

These Guidelines presume that quota has been deployed to the sales employee positions mentioned, unless specified otherwise in the HP Global Sales Compensation Policy. Posting of credit in the incentive pay system is dependent on HP's order management systems as well as Partner Sales Out reporting. While most credit is posted between one and six weeks after shipment or order/certification date, the application of sales credit may be deferred beyond this timeframe, until all required data is captured (e.g. pending customer information from channel reporting or Account IDs (AMIDs). Revenue recognition deferrals may be applied.

For hardware and software direct transactions, sales credit is based on the shipment date within the posted order entry cut-off schedule for specific products and families, HPFS leases, EMR (remarketed equipment) and HP Showcase (demo/SEED) transactions. Compensation for Services (HPS) order transactions is based on the date the order is certified by HP.

There is a quarterly sales credit cut-off for direct transactions. The SAB101 regulation imposed by the Security and Exchange Commission is an accounting standard that requires customer receipt and title transfer of equipment prior to HP's recognition of revenue. Therefore, Americas SCO has implemented a quarterly sales compensation cut-off policy. Direct shipments that occur after the specified quarterly cut-off date will be credited in the following quarter. Note: Indirect transactions are not subject to the quarterly cut-off policy.

Final quarter end crediting occurs approximately 90 days after the previous quarter closes. For the specific cutoff dates by product line, refer to the US/Canada Omega Crediting & Order Entry Cutoff Guides linked from under the Policies menu on the Americas SCO website: http://americas-sales-comp.corp.hp.com/ To allow time for complete source data receipt and channel reporting, fiscal months may remain open longer for adjustments.

Any change to an assignment as well as the timing of such change can potentially impact eligibility for sales credit. Therefore, a sales employee may not receive credit for transactions that miss the quarterly sales credit cut-off.

For indirect transactions, sales credit is based on the date provided by the partner in their Sales Out report to HP. Credit for indirect business through a non-reporting partner must be submitted and approved via a manual claim. (Refer to the Manual Claims section of this document for more details.)

Partner reported transactions typically appear within 30-45 days for named account assignments. It can take 60 or more days for the transaction to appear if the end-user customer is not identifiable in normal processing.

Manual Claims

Supported manual claim/adjustment requests are submitted via Americas SCO website under the Sales Force Toolkit menu: http://americas-sales-comp.corp.hp.com/manual claims.asp. All criteria of the claim must be met prior to submission. Standard criteria applicable to all claims are as follows: quota deployment, documented sales effort, shipment/invoice/order validation, supporting documentation, and required approvals. Minimum thresholds (which apply to US claims only) are per order/invoice and there is no bundling of orders to meet thresholds. A manual claim calendar with submission deadlines is also available on the Manual Claims Portal. All claims must be submitted before the claims submission deadline.

Eligibility for any claim is based on sales credit rules and the Sales plan that applies to the sales employee requesting the credit. Approvals for manual claims are governed by the Global Sales Compensation Delegation of Authority (DOA) Policy and the Americas SCO DOA Policy available on the WW E2E Sales Compensation website under the Governance menu: http://wwsalescomp.corp.hp.com/index.html.

For some claims, additional approvals are required as listed below. Following is a list of the valid claim types along with the eligibility criteria for each claim.

TMS Custom Agreements **(Coordinates with item 13.4 Technology Management Solutions from the Global SC Policy)**	A Technology Management Solution (TMS) custom agreement is one in which HP agrees to support a customer's environment that could include both HP and multi-vendor hardware/software. If the customer submits a multi-year purchase order, minimum 3-year agreement, sales credit is granted for 125% of the first twelve month value (not total contract value) of the HP annuity services.
Threshold (U.S. only):	**Effective 01-Nov-2007 to 28-Feb-2007:** Net CLCP value of $300K USD TCV for Business Continuity Recovery Services (BCRS) and Flexible Computing Services (FSC) **Effective 01-Mar-2007:** Net CLCP value of $500K USD TCV for Business Continuity Recovery Services (BCRS) and Flexible Computing Services (FSC) For all other TMS Services: Net CLCP value of at least $2.5M USD TCV in large countries or $1.5M USD TCV in small countries for all other services. The appropriate region sales manager classifies the countries within their region as either large or small.
Additional Criteria:	• Minimum three-year agreement; and • Order coded as new, not renewal
Required Approval:	• Level 1 Sales Manager
Conditional Claims for Missing Credit	This claim type is for the sales employee to request missing credit with supporting documentation after 30+ days from invoice date for hardware and software or order/certification date of the order/shipment. It can take up to 10 working days before the manual sales credit is visible. The conditional credit will be audited and reversed if the sale credits systemically in subsequent data feeds.
Threshold (U.S. only):	$25K non-IPG Product (per invoice) $10K IPG Product $10K PSG Volume $10K SLED $25K Services
Additional Criteria:	• Available to sales employees in the U.S. only • If invoicing is done via partials, Sales must provide a PO or other documentation that shows the combined amount.
Required Approvals:	n/a
Multinational Claims **(Coordinates with item 15.0 Multinational Sales from the Global SC Policy)**	When transactions are not recognized systematically as multinational, a manual claims process is required when the following criteria are met. The split is 50% to sold-to country (or country of specmanship for software-only deals)and 50% to ship-to (or country of software usage for software-only deals) country.

Threshold (U.S. only):	$250K for all Multinational solutions (other than below) $30K Software-only deals $100K IPG standalone $100K Services per deal ($10k per country)
Additional Criteria:	• International quota must have been deployed • Request must be submitted within 90 days of shipment
Required Approvals:	For negotiated splits greater than $1M refer to the Global DOA Policy

Communications, Media & Entertainment Joint-Go-To-Market (CME JGTM) Program ***(Coordinates with item 16.0 CME JGTM Program from the Global SC Policy)***	Refer to the HP Global Sales Compensation Policy on the WW E2E Sales Compensation website under the Governance menu: http://wwsalescomp.corp.hp.com/index.html
Threshold (U.S. only):	$25K
Submittal Process:	Manual Claims Portal link from the Americas SCO website: http://cceor12.cce.cpqcorp.net:4082/smcw/index.jsp
Required Approvals:	For claims greater than $100K, either the CBM of the CME Provider or the Global Inbound Corporate Accounts Manager.
Area to Area Credit Transfers	This claim type is for transactions that were included in the quota for the area requesting credit but due to change in buying behavior of customer, the shipments are occurring in a different area than historically for that customer. This should be used for exceptions only and should not be used solely based on where the sales effort is. Area crediting is based on end-user ship-to logic.
Threshold (U.S. only):	$2M Generalist $500K Specialist $250K Software $100K Services / ProCurve
Required Approvals:	• Region Business Group VP approval from both regions affected • Region Business Group Finance Manager
Indirect Sales – Channel Partner Sales Out Crediting	On indirect business, transactions are captured via (and credit is dependent upon) Partner Sales Out reporting to HP. This includes New Customer Reference File (NCRF) defined facility managers and system integrators where quota was deployed. This does not include Alliance Partners. If partner does not report, manual claims may be required for sales to partners and/or end-users.
Threshold (U.S. only):	$25K non-IPG Product (per invoice) $10K IPG Product $10K PSG Volume $10K SLED $25K Services
Required Approvals:	• Level 1 Sales Manager • Country SCO Manager • Region E2E SC Lead for credit greater than $2.5M USD

Remarketed Equipment	Sales employees are eligible for sales credit on used/remarketed equipment according to the crediting rules for their sales plan, at the time of shipment when transaction and end-user data is available. Credit is applied at 100% of the Net Deal Price for HPFS Remarketed Product Sales. When the transactions are not reported or the end-user data is not available, claims will be considered.
Threshold (U.S. only):	$25K non-IPG Product (per invoice) $10K IPG Product $10K PSG Volume $10K SLED $25K Services
Demo Sales (Consignment, Demo Paq, SEED Units)	Upon the purchase and invoicing of consignment business, sales employees are eligible for credit according to the crediting rules for their sales plan. When the transactions are not reported or the end-user data is not available, claims will be considered.
Threshold (U.S. only):	$25K non-IPG Product (per invoice) $10K IPG Product $10K PSG Volume $10K SLED $25K Services
HPS Installed Base Transitional Claims	When installed base contracts (option/CarePack conversions and ongoing renewals) transition between customer segments (i.e. direct and indirect or System Integrator to direct), sales credit may be applied as both direct/end-user and channel business. A manual claim will be required by the "transitioned from" sales team. When installed base contracts (option/CarePack conversions and ongoing renewals) transition between direct and indirect sales, credit may be applied to both teams. A manual claim will be required by the "transitioned from" sales team. When the claim is executed, the "transitioned to" sales team (account and/or individual) will receive a quota increase equal to the value of sales credit applied.
Threshold (U.S. only):	$25K
Additional Criteria:	• Validation of contract transition • Agreement from transition to team for quota increase • Applies to services sales employees only
Required Approvals:	• Level 1 Sales Manager • Region Business Group Finance Manager
HPS Custom Solutions	Eligibility for HPS sales credit is limited to orders booked and recognized as HPS product lines. The only exception is for custom solutions where services are bundled at customer request.
Threshold (U.S. only):	$25K

Additional Criteria:	• Finance verification of revenue transfer • Product sales approval for restatement
Required Approvals:	• Level 1 Sales Manager
Outsourcing Services/BTO *(Business Technology Optimization)*	Due to product line bundling, BTO sales reps do not receive credit systematically for product line 87 for software licenses offered at a discount through Outsourcing Services (OS). Since OV product line 87 is bundled in with the OS product line 6N on order entry, the transaction flows through the order processing systems as product line 6N only.
Threshold (U.S. only):	$200K of List Price
Additional Criteria:	• Qualifying orders must be placed on behalf of HPS Outsoucing Services and paid for under the revenue-transfer agreement. • Software SR engagement and Seibel-forecasted mandatory
Required Approvals:	• U.S. Sales VP (David E. Scott) • OS Manager • Verification of OV license order revenue transfer from OS Finance

HP Services Sales Crediting

Services sales credit will be applied based on the order recognized using the Sales Metric Code Definitions. Sales effort and/or involvement do not drive the use of these codes or how sales credit will be applied systematically.

Note: The key contacts for the sales metric coding process – Leeann Telles (Sales Programs), Bob Garbacz (Sales Operations), Troy Haight (TS Customer Operations), Jeanette Vernon (Sales Operations), Pam Vick (Sales Operations), Pam Glover (Sales Operations).

No sales credit for Time and Materials (unplanned per event) or Parts/Assisted Services (PL91). Eligibility for Technology Services (TS) sales credit is limited to orders booked and recognized as TS product lines. TS sales credit eligibility for PC Lifecycle Services and HP Direct (CEI/VISTA) products or services is not recognized in TS product lines. TS Specialists assigned to partners are eligible for sales credit on business and enterprise class influencer (non-take title) business. This credit may be applied manually based on company reporting of validated influencer/referral orders. Sales employees should refer to their sales plans for additional information on specific PL eligibility and exclusions.

Sales credit for "installed base/ongoing indirect contract renewals" will be applied to the sold-to customer only (in the US) and the ship-to customer only (in Canada). No sales credit will be applied to the end-user sales teams in the US except as noted below:

Federal Installed-Based Overlay Program - Sales credit eligibility for indirect renewal business administered by the Federal installed base rep on defined channel accounts with a Federal Named (i.e., US Army) account as the end-user. Manual claim required. See the Manual Claims section of this document for more details and use the indirect sales claim type to submit these claims.

Rainmaker - Sales credit eligibility for indirect renewal business on defined channel accounts/contracts with Mid-Market end-users (also referred to as Commercial/SMB). Eligible business/credit value to be determined and approved by HPS Finance and HPS Sales Operations. This will be managed via a credit adjustment applied monthly.

A vendor HP uses to convert warranty and warranty care packs to contracts. Rainmaker is not a partner, but a vendor that we pay for converting the service options/care packs. The overlay accounts for them selling into the territories that are assigned to our Mid market reps. Specifically, since Rainmaker is an account that is based in Northern California, the manual entry in compensation allocates the business sold to Rainmaker for these end-user contracts to the territories based on the same distribution as was used for the quota.

Authorized Service Management Program (ASMP) - This credits the Mid Market TS Sales rep for referring the IB customer to a partner in the current year. This is critical in this space since this was an initiative within that organization to move as many customers as possible in that segment to a partner. Since there is no systemic way to credit end-user reps for HP customers on a partner contract, and that this was critical in this space, this manual approach was taken.

Indirect IB manual crediting - this allows the rep to be credited for the ongoing business where the mid-market customers are held by the partners in their contracts with HP. This manual overlay is necessary since there's no systemic approach to credit for these end-users on Partner contracts.

Direct Sales and Indirect Sales Crediting Logic

The following crediting logic for direct and indirect sales crediting covers the majority of crediting scenarios:

	DIRECT*	**INDIRECT, Partner Direct and HP Direct (Vista)**
Territory Crediting (includes area portion of a hybrid plan)	Sold-To Zip Code – US Ship-To Postal Code – Canada	Ship-To Zip Code
Named Account Crediting	Sold-To Customer – US Ship-To Customer – Canada	Ship-To Customer or Partner Reported Customer

*US Sales to US Federal SIs should be credited as direct unless an HP Partner is involved.

Indirect Sales

Per the terms and conditions of the HP reseller contract, at HP's discretion, resellers that meet predetermined criteria are selected to participate in the reporting of indirect sales. Reporting guidelines indicate that resellers must report sales of all HP products for which resellers invoiced end customers.

Indirect sales credit is dependent upon reporting of Sales Out data. Sales Out data is usually visible in the incentive pay system within one to two weeks following receipt of partner sales reporting. Partner sales reporting includes sales of new services, but excludes all renewal services sales.

Crediting is dependent upon partner and customer identification provided in Sales Out data. Cross-referencing of Customer and Customer location uses a combination of sources to determine which accounts should receive credit and valuation of the credit. The fiscal month credited is determined by the partner reported date, which is typically an invoice date or ship date. Therefore, indirect transactions are not subject to the quarterly cut-off policy.

U.S. and Canada reporting partners are accessible via the Value and Volume Reporting Resellers link under FY07 Reference on the Americas SCO website. More partner information is available via the Partner Information Management website: http://pim.boi.hp.com/

Territory & Named Crediting

Reseller Sales Out is used for a select list of larger, and/or multi-branch reporting resellers. Sell-To information (aka RSO) from reporting 1st and 2nd tier partners is used for end-user based crediting. Sales credit is based

on ship-to or end-user customer location and credit is applied based on partner-reported date.

Sell-through (aka CSO) data is used when sales are through non-reporting resellers and credit is based on drop-ship information, when available.

Partner Crediting

Sell-Through (aka CSO distribution) and Sell-To (1st and 2nd tier resellers) are used for partner or partner branch based crediting. Sales credit is based on reseller location, AMID, ICN (Internal Contract Number) (U.S.), Channel Sales Reporting Tool (CSRT) identifier (U.S.), or CPR (Canada).

HP Direct (Vista) Agent-Take-Title Transactions (U.S. Only)

To avoid duplicate crediting, HP Direct (Vista) Agent-Take-Title transactions for reporting partners are not credited at the time of shipment from HP to the reseller. Instead, the transactions are credited based on the date of sale and data reported by the reseller.

Reporting Partners	Credit for HP Direct agent-take-title transactions through ***reporting partners*** is not given based on the HP Direct (Vista) data but will be given based upon the reporting partners Sell-To sales reporting.
Non-Reporting Partners	Credit will be applied via HP Direct (Vista) data for HP Direct agent-take-title transactions through ***non-reporting*** partners.

Indirect/Channel Crediting:

Sales credit for indirect new business will be applied to the end-user accounts. This includes NCRF-defined Facility Managers and System Integrators, where quota was deployed. Credit is based on Sales Out reporting to HP. If an eligible partner does not report, manual claims may be required. See the Manual Claims section of this document for more information.

Sell-With/Through Crediting:

For direct accounts, including HPS alliance accounts, selling to, with, or through to other end-user accounts, sales credit will be applied based on the sold-to customer only (ship-to customer in Canada) and standard crediting rules apply (except as defined for authorized accounts in the Communications, Media & Entertainment Joint Go-To-Market (CME JGTM) Program: http://nsponline.hp.com/jgtm/default.asp

Sales Crediting Models

Crediting in the Named Model:

HP's Industry Sales (Corporate), Enterprise, Federal, SLED, Mid-Market (Commercial) SMB Named and particular Channel Partners, are considered named accounts. When sales resources are assigned to specific named account(s), crediting is based on the named model. Named accounts (including identified subsidiaries and affiliates) are determined during each fiscal half planning process.

Through the New Customer Reference File (NCRF) process, accounts are assigned an Account Management ID (AMID). AMIDs associate and group account information using customer reference information such as HP's customer number and Dun & Bradstreet (D&B) DUNS numbers. AMIDs allow a link between the named account, or a specific portion of a named account, to the assigned sales role(s) for crediting.

Named account crediting is based on the activity for the entire account (AMID) U.S. wide, except for defined

remote coverage exceptions (see Remote Coverage for Named Accounts section, below).

The account information for named account crediting is determined as follows:

Direct Business:

- Direct transactions are based on the sold-to customer code (ship-to customer in Canada).

Indirect Business - HP Direct (Vista), Partner Direct, HP Prime, Business Store/Web Associate Program (WAP) (no Vista or Business Store/Web in Canada):

- Indirect transactions are based on the ship-to customer as reported by the partner.
- HP Direct crediting is based on the AMID associated with the ship-to address.
- Includes distributor drop-ship reporting (HiP, VAR, SI, ISV)
- Manual claims may be submitted for non-reported transactions. See the Manual Claims section of this document for more details.

Remote Coverage for Named Accounts - Individual generalists and/or specialists may have been assigned to cover remote sites or only a portion of a named account. In these cases, the assignment is identified by the account name with specific states covered or is identified by a unique AMID or a unique Site Duns number.

Remote account coverage is determined during each performance period planning and rostering cycle, and is based upon defined sales coverage requirements.

Crediting in the Territory Model:

Territories are defined by geographic sales boundaries. In FY07, the U.S. geographic sales boundaries are based on 11 areas. A sales assignment may consist of one or more of these areas: North Plains, South Central, Northern California, Pacific & Mountain, Southwest, Southeast, Midwest, Ohio Valley, Liberty, New England, and Mid-Atlantic.

In addition, there are 78 defined personal areas for the US IPG Commercial Territory and ProCurve which are mapped to the 11 geographic areas.

When sales resources are assigned to a territory, crediting is based on the territory model. Crediting within a specific geographic dimension is based on zip code (postal code in Canada) and can include all customer segments or just specific segments (i.e. Commercial/SMB). Territory boundaries are determined during each fiscal half planning process.

Territory crediting is based on the activity for the entire geographic dimension and is shared by other sales employees with assignments in the territory. Territory crediting includes both direct and indirect business. Territory Crediting is determined as follows:

Direct Business:

- Direct transactions are based on the sold-to zip code (ship-to postal code in Canada).

Indirect Business - HP Direct (Vista), Partner Direct, HP Prime, Business Store/Web Associate Program (WAP) (no Vista, Business Store/Web in Canada):

- Indirect transactions are based on the ship-to customer as reported by the partner. If end-user zip code is not reported, transaction is based on reseller zip code.
- Includes distributor drop-ship reporting (Hip, VAR, SI, ISV)Includes distributor drop-ship reporting (Hip, VAR, SI, ISV)

Valuation

To drive channel neutrality and ensure a similar treatment whether a transaction is sold direct or indirect, sales

credit will be valued as follows:

DESCRIPTION	TRANSACTION TYPE	PRODUCT CATEGORY	VALUATION
Third Party (direct only)	Third Party Options: (3PO) (Vista Only)	PSG	100% of Net**
	HPS	Third Party PLs (Except Cisco)	15% of Net**
		Cisco Third Party PL	50% of Net**
		Stand alone / non-solution sales	$0 – not credited
Solutions Partner Organization	SPO	All	Net Dealer Price (NDP) in US; Indirect valuation applies for Canada
HPS Support Contracts and Orders through NCAS, SMART, CABS, HPS SAP (ORC and Support Americas)		HPS	Net Price**
Outsourcing Services		HPS (PLs 6N, 7P, LV)	20% of 1st year value of New Business Effective 01-Mar_2007 50% of 1st year value of New Business
Multi-year (perpetual) Software Licenses	Multi-year licensing	Software	Credit for first year license fee only
Partner Crediting	For Partner Sales Reps	DVAR, SI, Software Reseller, HPS Reseller	Net Dealer Price (NDP) in US; Indirect valuation applies for Canada
Customer Purchases Directly From HP	Direct Includes MS/Outsourcing	All	Net Price**
HP Direct (except Partner Direct, Partner Prime and agent-take-title through non-reporting partners)	Customer purchases from HP Direct program: Enterprise Direct (traditional end-users); Direct plus (SMB Direct); GEM Direct; Federal Direct	ALL	Net Price**
Indirect (includes Partner-Reported Sales, HP Direct Partner Direct and HP Direct agent-take-title through non-reporting partners)	Customer purchases from a Channel Partner or Reseller	PSG (except PSG PLs below):	70% of List Price*
		PSG PLs: 5X, 9H	71% of List Price*
		PSG Handheld PLs: 21, 9J, BQ	74% of List Price*
		PSG PL MG	62% of List Price*
		HPS	66% of List Price* +
		ISS	65% of List Price*
		BCS	55% of List Price*
		SW	50% of List Price*
		~~StorageWorks Div (SWD)~~	~~30% of List Price*~~

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DESCRIPTION	TRANSACTION TYPE	PRODUCT CATEGORY	VALUATION
		XP – PL LN	
		SWD Value – PLs LH, LJ, LK, LL, LM	40% of List Price*
		SWD Volume – PLs 1Y, 3C, LI	65% of List Price*
		NED	Net Price**
		IPG (except Replenishment SAP shipment feed)	70% of List*
		IPG Replenishment SAP shipment feed (in select IPG plans)	Net Price**
		ProCurve – PL 6H	64% of List Price*

*List Price is defined as:
Global Product and Pricing System (GPSy) List Price for HP priced products/services
Partner Reported Price and/or Cost are used when List Price is not available.
**Net Dealer Price (NDP) is used if Net is not available.
+ For Channel Reps (including SPO and HPS Channels IB Reps), Net Dealer Price (NDP) is used for distributors/reseller orders and Net Price Sold is used for installed base orders.

Other Crediting Programs & Crediting Logic

Remarketed Equipment - Sales credit is granted for remarketed equipment sold and hardware/software products leased through HP Financial Services (HPFS) or other leasing companies. Credit for leased orders is provided to the sales team that supports the end-user customer, not the leasing entity.

Leases - Sales employees are eligible for sales credit on products purchased as part of a sale financed through HP Financial Services (HPFS) according to the crediting rules for their sales plan, at the time of shipment or invoice, when transaction and end-user data is available. Leasing transactions are credited to the end-user customer. Sales credit is recognized upon product shipment. Sales credit is provided for lease renewals, but sales credit is not provided for extensions of HPFS leasing agreements that have expired.

Non-HP-Branded Products and Services Eligible for Sales Credit - When HP sells non-HP branded accessories for personal computers as part of a solution, sales employees may receive sales credit for 100% of the non-HP branded products net resale value. See section 13.2 of the Global SC Policy, located on the WW E2E Sales Compensation webpage under the Governance menu: http://wwsalescomp.corp.hp.com/Policy/GSCPolicy.html

Brokered Equipment - There is no authorized or exception sales credit for sales sold by a "broker" to an assigned Account or Area. Sales quotas and credit apply only to sales made directly or with an authorized Reseller Partner, who has an approved Reseller Discount Agreement via a signed contract, called the U.S. Business Development Agreement (BDA), in effect at the time of sale.

Outsourcing Services - Eligible contracts are identified via Sales Metric Codes (SMC) referenced on the order. Eligible codes include "E" (first 12 months of new contracts) and "R" (first 12 months of a resale). The HPS Sales Crediting section of this guide provides additional information on coding of renewal business.

New hardware, when part of an Outsourcing Services arrangement, is eligible for credit against the hardware quota. If such hardware order is placed as an internal order by HP Outsourcing Services (OS) on behalf of the end user customer, the credit is applied at the transfer price from the HW RBU to OS.

Better Together Storage Credit (U.S. only) - NonStop (NED) Sales Reps will receive sales credit for selling XP Storage products within NonStop Environments. This will be handled by manual posting based on reports from NSS BU. Manual Claims are no longer required to request this credit. Note that there will not be any credit for add-ons or upgrades.

- NED Reps will be paid NET for Direct Orders for XP storage products.
- Indirect Orders for XP storage products NED reps will be paid 30% of list (for the XP storage products) based on revised FY07 Valuation Table.

Multinational Credit For U.S. Federal Transactions - When Federal transactions include international shipments considered on "U.S. Soil," 100% crediting is applied to the federal account. U.S. State Department or Intelligence locations (U.S. Embassies, veteran's hospitals, military installations) located in another country is considered U.S. Soil (land). If the crediting is not applied systematically, a manual claim is required. See the Manual Claims section of this document for more information.

Mergers and Acquisitions between Customers:

This section is provided for information purposes only.

Following are the 2007 guidelines for mergers and acquisitions between customers as supported by the NCRF team, not SCO:

- In general, any merger or acquisition involving any named account including joint ventures, subsidiaries or divisions of named accounts will be held back until the start of the next fiscal half or fiscal year if there is a annual quota and the business requests that it be held back. Example: Western Union was held back until 1H08 to First Data Corp despite a Sept 2006 IPO.
- Mergers and acquisitions between two unnamed SMB accounts will take effect as soon as the merger or acquisition is final and recognized by D&B. The accounts will be realigned to the surviving or new company.
- When a named account acquires an unnamed SMB account, the acquisition will be processed as soon as final and recognized by D&B.
- Note that there are specific named SMB accounts owned by Volume Sales. These accounts will be treated as named accounts and will follow the rules that apply to all named accounts. The SMB named Volume accounts can be identified in NCRF by their class code – SQX.
- All named account M&A activity is subject to periodic cutoff dates for account nomination and quota setting purposes. M&A transactions must be legally complete by these dates to be processed/recognized. Pending M&A transactions not legally complete by the cutoff date will be held back until the next half quota period.
- Special consideration is given to private equity transactions, these transactions are private and do not always follow normal business alignment rules.

The term "held back" means that the merged or acquired account will remain aligned to the company who owned the merged or acquired account at a designated cutoff date before the beginning of each fiscal half.

How to Get More Information

Your first point of contact for questions on crediting, missing credit, negative transactions, manual claims, etc. is the Americas Sales Compensation Support Center. Inquiries can be submitted via e-mail with your Business Unit, e.g. IPG, HPS, PSG, SPO, or TSG in the subject line at Sales.Compensation.Support.Specialists@hp.com

You may also contact a Specialist directly at: 1-800-244-1407

Policy History

Records Retention Information		Each published version of this policy is to be retained per Global Records Management (GRM) requirements under GRM Record Series AC814. The retention period for this policy is classified as "Tax Department Clearance (TDC)." The Project Manager for each policy revision is responsible for records management.
Date	**Version**	**Revision Notes**
June 25, 2007	2.0	○ Removed obsolete website for Brokered Equipment – no replacement. ○ Replace Sandra Holmes name with reference to the U.S. SCO Org Chart
May 23, 2007	1.0	○ Negative Claims… deleted - obsolete effective February 1, 2007
May 23, 2007	1.0	○ First published version for FY 2007, effective November 1, 2006

EXHIBIT 9

invent

Americas Sales Compensation Operations
U.S. & Canada Sales Compensation Handbook
(Supplement to the HP Global Sales Compensation Handbook)

Effective 01-Nov-2007

AMERICAS SALES COMPENSATION OPERATIONS U.S. & CANADA SALES COMPENSATION HANDBOOK *HP Restricted*			
Organization:	Americas Sales Compensation Operations	**Effective Date:**	01-Nov-2007
Sponsor:	Becky Kidd (through June 14) Bob Slaby (effective June 15)	**Revision:**	11-Aug-2008
AMS Contact:	Kim Murphy		
US (AMS):	Caryl Swett – IPG and TSG Enterprise Mary Jagger – NA Executives/Software Zachary Batchelor – IPG Consumer/SMB/SPO/Volume/FED		
Canada (CDA):	Mary Jagger		

Location of Document	
WW E2E Sales Compensation Webpage, under "Governance" menu, "Global & Region SC":	http://wwsalescomp.corp.hp.com/Policy/GSCPolicy.html
Americas SCO webpage, Reference Menu:	http://americas-sales-comp.corp.hp.com/

Purpose:	The HP Global Sales Compensation Policy (HP062-01) provides the worldwide approach to sales crediting and compensation: http://wwsalescomp.corp.hp.com/Policy/GlobalSCPolicy_FY08_V1_10-31-06.pdf The Sales Compensation Handbook provides details regarding the implementation of global policy and provides further clarity on sales crediting practices.
Overview:	This FY08 U.S. & Canada Sales Compensation Handbook is published by Americas Sales Compensation Operations (SCO) and is intended solely for the use of sales employees and those organizations that support them. This document is intended for sales employees participating in a HP Sales Plan from November 2007 through October 2008 (FY08). All Sales Plans and this Handbook are Hewlett-Packard (HP) Restricted and for internal use only. Nothing in this handbook shall be construed to imply the creation of or existence of a contract between Hewlett-Packard and any participant, nor a guarantee of employment for any specified period of time. No plan participant will have any right to monies accrued through their assigned Sales Plan until and unless all terms, provisions, and conditions, as set forth in the plan, have been met. Hewlett-Packard reserves the right to adjust the plan to address significant unforeseen business issues. Hewlett-Packard also reserves the right to change these guidelines at any time. Employees leaving Hewlett-Packard are required to return this document and all materials concerning HP Sales Compensation to their managers.

Americas Sales Compensation Operations
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Americas Sales Compensation Operations
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ADDITIONAL REFERENCE	
HP Global SC Handbook See "Governance" menu	http //wwsalescomp corp hp com/Policy/GSCPolicy html
US/Canada Valuation Table	http://americas-sales-comp corp.hp com/FY08%20Valuation%20Plan%20Final%20v5 ppt
Canada Territory Map	http://canada-sales-comp.corp.hp.com/territorymaps.asp
Product Line Chart	http //amencas-sales-comp.corp hp com/BA PL%20Def%20FY08%20v5.xls
Field Sales Manual Claim Submission and Omega Quarterly Close Schedule.	http //americas-sales-comp corp hp com/manual claims asp

CREDITING ASSUMPTIONS AND TIMING

These guidelines presume that quota has been deployed to the sales employee positions mentioned, unless specified otherwise in the HP Global Sales Compensation Policy. Posting of credit in the incentive pay system is dependent on HP's order management systems as well as Partner Sales Out reporting. While most credit is posted between one and six weeks after shipment or order/certification date, the application of sales credit may be deferred beyond this timeframe, until all required data is captured (e.g. pending customer information from channel reporting or Account IDs (AMIDs). Revenue recognition deferrals may be applied.

For hardware and software direct transactions, sales credit is based on the shipment date within the posted order entry cut-off schedule for specific products and families, HPFS leases, EMR (remarketed equipment) and HP Showcase (demo/SEED) transactions. Compensation for Services (HPS) order transactions is based on the date the order is certified by HP.

There is a quarterly sales credit cut-off for direct transactions. The SAB101 regulation imposed by the Security and Exchange Commission is an accounting standard that requires customer receipt and title transfer of equipment prior to HP's recognition of revenue. Therefore, Americas SCO has implemented a quarterly sales compensation cut-off policy. Direct shipments that occur after the specified quarterly cut-off date will be credited in the following quarter. Note: Indirect transactions are not subject to the quarterly cut-off policy.

Any change to an assignment as well as the timing of such change can potentially impact eligibility for sales credit. Therefore, a sales employee may not receive credit for transactions that miss the quarterly sales credit cut-off.

For indirect transactions, sales credit is based on the date provided by the partner in their Sales Out report to HP. Credit for indirect business through a non-reporting partner must be submitted and approved via a manual claim.

Partner reported transactions typically appear within 30-45 days for named account assignments. It can take 60 or more days for the transaction to appear if the end-user customer is not identifiable in normal processing.

MANUAL CLAIMS

Supported manual claim/adjustment requests are submitted via Americas SCO website under the Sales Force Toolkit menu: http://americas-sales-comp.corp.hp.com/manual claims.asp. All criteria of the claim must be met prior to submission. Standard criteria applicable to all claims are as follows: quota deployment, documented sales effort, shipment/invoice/order validation, supporting documentation, and required approvals. Threshold guidelines (US claims only) are per order/invoice and there is no bundling of orders to meet thresholds. A manual claim calendar with submission deadlines is also available on the Manual Claims Website. All claims must be submitted before the claims submission deadline.

Eligibility for any claim is based on sales credit rules and the Sales Plan that applies to the sales employee requesting the credit. Approvals for manual claims are governed by the Global Sales Compensation Delegation of Authority (DOA) Policy and the Americas SCO DOA Policy available on the WW E2E Sales Compensation

HP SERVICES SALES CREDITING

Services sales credit will be applied based on the order recognized using the Sales Metric Code Definitions. Sales effort and/or involvement do not drive the use of these codes or how sales credit will be applied systematically.

Note: The key contacts for the sales metric coding process – Troy Haight (TS Customer Operations), Leeann Telles (Sales Programs), Kevin Hawkey (Sales Operations), Jeanette Vernon (Sales Operations), Pam Vick (Sales Operations), Pam Glover (Sales Operations).

Sales credit for "installed base/ongoing indirect contract renewals" will be applied to the sold-to customer only (in the U.S.) and the ship-to customer only (in Canada). No sales credit will be applied to the end-user sales teams in the U.S. with the exception of such programs as listed below:

Federal Installed-Based Overlay Program (U.S. only) - Sales credit eligibility for indirect renewal business administered by the Federal installed base sales employee on defined channel accounts with a Federal Named (i.e., US Army) account as the end-user. Manual claim required.

Authorized Service Management Program (U.S. only) - This credits the Mid-Market TS Sales employee for referring the IB customer to a Partner in the current year. This is critical in the mid-market space since this is an initiative within that organization to move as many customers as possible to a partner. A manual posting is required since there is no systemic way to credit end-user sales employees for HP customers on a Partner contract. The crediting will be administered by way of a manual posting based on reports provide by HP Services Sales Operations.

Indirect IB manual crediting (U.S. only) - this allows the sales employee to be credited for the ongoing business where the mid-market customers are held by the partners in their contracts with HP. This manual overlay is necessary since there's no systemic approach to credit for these end-users on Partner contracts. Crediting will be administered by way of a manual posting based on reports provide by HP Services Sales Operations.

Direct and Indirect Sales Crediting Logic

The following crediting logic for direct and indirect sales crediting covers the majority of crediting scenarios:

	DIRECT*	INDIRECT, Partner Direct and HP Direct (Vista)
Territory Crediting (includes area portion of a hybrid plan)	Sold-To Zip Code – US Ship-To Postal Code – Canada	Ship-To Zip Code
Named Account Crediting	Sold-To Customer – US Ship-To Customer – Canada	Ship-To Customer or Partner Reported Customer

*US Sales to US Federal SIs should be credited as direct unless an HP Partner is involved.

Indirect Sales Crediting

Per the terms and conditions of the HP reseller contract, at HP's discretion, resellers that meet predetermined criteria are selected to participate in the reporting of indirect sales. Reporting guidelines indicate that resellers must report sales of all HP products for which resellers invoiced end customers.

Indirect sales credit is dependent upon reporting of Sales Out data. Sales Out data is usually visible in the incentive pay system within one to two weeks following receipt of partner sales reporting. Partner sales reporting includes sales of new services, but excludes all renewal services sales.

Crediting is dependent upon partner and customer identification provided in Sales Out data. Cross-referencing of Customer and Customer location uses a combination of sources to determine which accounts should receive credit and valuation of the credit. The fiscal month credited is determined by the partner reported date, which is typically an invoice date or ship date. Therefore, indirect transactions are not subject to the quarterly cut-off policy.

U.S. and Canada reporting partners are accessible via the Value and Volume Reporting Resellers link under FY08 Reference on the Americas SCO website. More partner information is available via the Partner Information Management website: http://pim.boi.hp.com/

Territory & Named Crediting

Reseller Sales Out is used for a select list of larger, and/or multi-branch reporting resellers. Sell-To information (aka RSO) from reporting 1st and 2nd tier partners is used for end-user based crediting. Sales credit is based on ship-to or end-user customer location and credit is applied based on partner-reported date.

Sell-through (aka CSO) data is used when sales are through non-reporting resellers and credit is based on drop-ship information, when available.

Partner Crediting

Sell-Through (aka CSO distribution) and Sell-To (1st and 2nd tier resellers) are used for partner or partner branch based crediting. Sales credit is based on reseller location, AMID, ICN (Internal Contract Number) (U.S.), Channel Sales Reporting Tool (CSRT) identifier (U.S.), or CPR (Canada).

HP Direct (Vista) Agent-Take-Title Transactions (U.S. Only)

To avoid duplicate crediting, HP Direct (Vista) Agent-Take-Title transactions for reporting partners are not credited at the time of shipment from HP to the reseller. Instead, the transactions are credited based on the date of sale and data reported by the reseller.

Reporting Partners	Credit for HP Direct agent-take-title transactions through ***reporting partners*** is not given based on the HP Direct (Vista) data but will be given based upon the reporting partners Sell-To sales reporting.
Non-Reporting Partners	Credit will be applied via HP Direct (Vista) data for HP Direct agent-take-title transactions through ***non-reporting*** partners.

Indirect/Channel Crediting:

Sales credit for indirect new business will be applied to the end-user accounts. This includes NCRF-defined Facility Managers and System Integrators, where quota was deployed. Credit is based on Sales Out reporting

Sell-With/Through Crediting:

For direct accounts, including HPS alliance accounts, selling to, with, or through to other end-user accounts, sales credit will be applied based on the sold-to customer only (ship-to customer in Canada) and standard crediting rules apply (except as defined for authorized accounts in the Communications, Media & Entertainment Joint Go-To-Market (CME JGTM) Program: http://nsponline.hp.com/jgtm/default.asp

SALES CREDITING MODELS

Crediting in the Named Model

HP's Industry Sales (Corporate), Enterprise, Federal, SLED, Mid-Market (Commercial) SMB Named and particular Channel Partners, are considered named accounts. When sales resources are assigned to specific named account(s), crediting is based on the named model. Named accounts (including identified subsidiaries and affiliates) are determined during each fiscal half planning process.

Through the New Customer Reference File (NCRF) process, accounts are assigned an Account Management ID (AMID). AMIDs associate and group account information using customer reference information such as HP's customer number and Dun & Bradstreet (D&B) DUNS numbers. AMIDs allow a link between the named account, or a specific portion of a named account, to the assigned sales role(s) for crediting.

Named account crediting is based on the activity for the entire account (AMID) U.S. wide, except for defined remote coverage exceptions (see Remote Coverage for Named Accounts section, below).

Named Account crediting is determined as follows:

Direct Business: including HP Direct (Vista) non-Partner Source transactions (no Vista or Business Store/Web in Canada):

- Direct transaction crediting is based on the AMID or territory of the sold-to customer code (ship-to customer in Canada). Vista Direct data in the U.S. is credited on the AMID or territory of the ship-to customer ID for SMB, the ship-to name/address for Enterprise and the identified end-user customer id for Public Sector.
- For Vista orders the invoice date is used to determine the fiscal period in which sales credit will be applied.
- Third Party crediting is applied based on the invoice date.

Indirect Business – including HP Direct (Vista) Partner Source, HP Prime, Business Store/Web Associate Program (WAP) (no Vista or Business Store/Web in Canada):

- Indirect transactions are credited based on the AMID or territory of the ship-to customer as reported by the partner.
- Includes distributor and HP drop-ship reporting (HiP, Reseller, VAR, SI, ISV)
- Manual claims may be submitted for non-reported transactions.
- For Vista orders the invoice date is used to determine the fiscal period in which sales credit will be applied.
- Third Party crediting is applied based on the invoice date.

Remote Coverage for Named Accounts

Individual generalists and/or specialists may have been assigned to cover remote sites or only a portion of a named account. In these cases, the assignment is identified by the account name with specific states covered or is identified by a unique AMID or a unique Site Duns number.

Remote account coverage is determined during each performance period planning and rostering cycle, and is based upon defined sales coverage requirements.

Crediting in the Territory Model:

Territories are defined by geographic sales boundaries. In FY08, the U.S. geographic sales boundaries are based on 11 areas: North Plains, South Central, Northern California, Pacific & Mountain, Southwest, Southeast, Midwest, Ohio Valley, Liberty, New England, and Mid-Atlantic. For Canada, the geographic sales boundaries are based on 15 areas: British Columbia, Northern Alberta, Southern Alberta, Saskatchewan, Manitoba, Central Ontario, Southwestern Ontario, Northern Ontario, Ottawa, Greater Montreal Area, Eastern Quebec, Atlantic – NS/NB and Atlantic – PEI/NFLD.

In addition, there are 31 defined personal areas for the US TSG; 34 defined personal areas for the US PSG; 74 defined personal areas for the US IPG Commercial Territory and ProCurve; all are mapped to the 11 geographic areas.

When sales resources are assigned to a territory, crediting is based on the territory model. Crediting within a specific geographic dimension is based on zip code (postal code in Canada) and can include all customer segments or just specific segments (i.e. Commercial/SMB). Territory boundaries are determined during each fiscal half planning process.

Territory crediting is based on the activity for the entire geographic dimension and is shared by other sales employees with assignments in the territory. Territory crediting includes both direct and indirect business. Territory Crediting is determined as follows:

<u>**Direct Business**</u> – including HP Direct (Vista) non-Partner Source transactions (no Vista or Business Store/Web in Canada):

- Direct transaction crediting is based on the AMID or territory of the sold-to customer code (ship-to customer in Canada). Vista Direct data in the U.S. is credited on the AMID or territory of the ship-to customer ID for SMB, the ship-to name/address for Enterprise and the identified end-user customer id for Public Sector.
- For Vista orders the invoice date is used to determine the fiscal period in which sales credit will be applied.
- Third Party crediting will be applied based on the invoice date.

<u>**Indirect Business**</u> – including HP Direct (Vista) Partner Source, HP Prime, Business Store/Web Associate Program (WAP) (no Vista or Business Store/Web in Canada):

- Indirect transactions are credited based on the AMID or territory of the ship-to customer as reported by the partner.
- Includes distributor and HP drop-ship reporting (HiP, Reseller, VAR, SI, ISV)
- Manual claims may be submitted for non-reported transactions. See the Manual Claims section of this document for more details.
- For Vista orders the invoice date is used to determine the fiscal period in which sales credit will be applied.
- Third Party crediting will be applied based on the invoice date.

Other Crediting Programs and Crediting Logic

Third Party Products/Services (Canada only)

When sold as part of a solution, sales employees are credited 15% of the third party products or services based on Gross Accounting Principles. When not sold as part of a solution, but warranted by HP, sales employees are credited 15% of the third party products or services based on Net Accounting Principles. When net accounting is used, the order value will be equivalent to the net accounting amount. When gross accounting is used, the order value is equivalent to the gross accounting amount.

Better Together Storage Credit (U.S. only)

NonStop (NED) Sales Employees will receive sales credit for selling XP Storage products within NonStop Environments. This will be administered by way of a manual posting based on reports from Joy Oda – Business Planning.

- NED sales employees will be paid NET for Direct Orders for XP storage products.
- Indirect Orders for XP storage products NED sales employees will be paid 30% of list (for the XP storage products – product line LN) based on the FY08 Valuation Table.

Note: Sales credit does not apply for add-ons/upgrades.

Outsourcing Services/BTO (U.S. only)

Due to product line bundling, BTO sales employees do not receive credit systematically for software licenses (PL87) offered at a discount through Outsourcing Services (PL6N). Since product line 87 is bundled in with PL6N on order entry, the transaction flows through the order processing systems as product line 6N only. The crediting for PL87 will be administered by way of a manual posting based on reports from Luis Guillermo Campos, SGBU Licensing Operations.

Note: Sales credit does not apply for add-ons/upgrades.

Multinational Credit for U.S. Federal Transactions

When Federal transactions include international shipments considered on "U.S. Soil," 100% crediting is applied to the federal account. U.S. State Department or Intelligence locations (U.S. Embassies, veteran's hospitals, military installations) located in another country is considered U.S. Soil (land). If the crediting is not applied systematically, a manual claim is required. See the Manual Claims section of this document for more information.

Mergers and Acquisitions between Customers

This section is provided for information purposes only.

Following are the 2008 guidelines for mergers and acquisitions between customers as supported by the NCRF team, not SCO:

- In general, any merger or acquisition involving any named account including joint ventures, subsidiaries or divisions of named accounts will be held back until the start of the next fiscal half or fiscal year if there is a annual quota and the business requests that it be held back. Example: Western Union was held back until 1H08 to First Data Corp despite a Sept 2006 IPO.
- Mergers and acquisitions between two unnamed SMB accounts will take effect as soon as the merger or acquisition is final and recognized by D&B. The accounts will be realigned to the surviving or new company.
- When a named account acquires an unnamed SMB account, the acquisition will be processed as soon as final and recognized by D&B.
- Note that there are specific named SMB accounts owned by Volume Sales. These accounts will be treated as named accounts and will follow the rules that apply to all named accounts. The SMB named Volume accounts can be identified in NCRF by their class code – SQX.
- All named account M&A activity is subject to periodic cutoff dates for account nomination and quota setting purposes. M&A transactions must be legally complete by these dates to be processed/recognized. Pending M&A transactions not legally complete by the cutoff date will be held back until the next half quota period.
- Special consideration is given to private equity transactions; these transactions are private and do not always follow normal business alignment rules.

The term "held back" means that the merged or acquired account will remain aligned to the company who owned the merged or acquired account at a designated cutoff date before the beginning of each fiscal half.

Military Leave for Sales Employees

United States - 100% Target Incentive Amount for a maximum total of five years. An appropriate prorated adjustment will be made for part-time employees.

For more information refer to the U.S. Policy website:
http://hrcms01.atl.hp.com:6554/public/pages/benefits/policies/en_US/column_page_0137.htm - 5

Canada - 100% Target Incentive Amount for a maximum period of up to 26 weeks. An appropriate prorated adjustment will be made for part-time employees.

For more information refer to the Canada Policy website:
http://hrcms01.atl.hp.com:6128/public/pages/pol_sg/en_US/hr_policy_page_20006.htm

How to Get More Information

Contact your SCO Representative for the following types of questions: Sales Comp Ops Contact List – located in the menu - Organization Links: http://americas-sales-comp.corp.hp.com/

- Incentive pay questions
- Crediting questions/concerns
- Roster questions
- Compensation plan questions

○ Policy questions

RECORDS RETENTION REQUIREMENTS			
SCO Data Type	**GRM Record Series / Total Retention Period**	**Retention Period on SCO SharePoint**	**Retention Period on Archive Medium (in CHARMS)**
Pay Data:	**HR410** – 6 Years	Current + prior year	Current + 6 years
Processes:	**AD114** – 1 year	Current + prior year	Current + prior year
Archive Medium:	Paper or File Net		
Archive Owner/Process:	**Pay data** (manual credit info and monthly reports from SGBU OV Operations): Americas SCO Records Analyst archives via annual data archiving management activities.		
	Process documentation: Process Author advises Americas SCO Records Analyst when process is final and ready for archive.		

DOCUMENT HISTORY

Revision Date	Revision Notes
11-Aug-08	Military Leave for Sales Employees – added 100% TIA Record Retention Requirements: Processes - replaced AD203 with FY08 retention series code of AD114. Pay Data – replaced AC814 with FY08 retention series code HR410 Region Contact Names – removed phone numbers
06-May-2008	Document Name – changed from U.S. & Canada SC Implementation Guidelines Document Sponsor – added Bob Slaby effective June 15, 2008 Header Information – changed wording from Supplement to HP Global SC Policy Additional Reference Section – new for FY08 Crediting in Named/Territory Model – third party crediting applied based on invoice date. Direct Business - added notation "no Vista or Business Store/Web in Canada". Crediting in the Territory Model – for the US, revised the number of personal areas. Canada territory information new for FY08. Other Crediting Programs & Crediting logic: ○ Better Together Storage Credit Program – replaced Sally Stemen with Joy Oda. ○ Third Party Product/Services (Canada only) – new for FY08 ○ Remarketed Equipment, Leases, Non-HP-Branded Products/Services Eligible for Sales Credit and OutSourcing Services – removed, documented within Global SC Policy. ○ Brokered Equipment – removed statement, no value add. Crediting Assumptions & Timing – Final quarter end crediting statement, replaced with url to FY08 QTR end close schedule, SC does not have cutoff dates by product line. Individual Manual Claims – replaced with url to manual claims guidelines document HP Services Sales Crediting: ○ Rainmaker – removed, quota not deployed for FY08 ○ Time & Materials or Parts Assisted Services (PL91) – removed, documented within Global SC Policy. ○ Eligibility for Technology Services statement – removed, outdated. Valuation Table – replace with url to FY08 Valuation chart published by Finance. How to Get More Information – replaced with url to SAC / Sales alignment chart.

EXHIBIT 10

invent

Americas Sales Compensation Operations
U.S. & Canada Sales Compensation Handbook
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Effective 01-Nov-2008

AMERICAS SALES COMPENSATION OPERATIONS
U.S. & CANADA SALES COMPENSATION HANDBOOK
HP Restricted

Organization:	Americas Sales Compensation Operations	**Effective Date:**	01-Nov-2008
Sponsor:	Joanne Thiel - Region E2E SC Lead	**Revision:**	
AMS Contact:	Kim Murphy – AMS Program Management & Business Controls		
US (AMS):	Mary Jagger – TSG Zachary Batchelor – IPG Consumer/SMB/SPO/Volume/FED		
Canada (CDA):	Mary Jagger		

Location of Document

WW E2E Sales Compensation Webpage, under "Governance" menu, "Global & Region SC Handbooks":	http://intranet.hp.com/tsg/WW2/wwsalescomp/Policy/Pages/GSCHandbook.aspx
Americas SCO webpage, Policies Menu:	http://intranet.hp.com/tsg/SalesCompensation/Pages/AmericasSalesCompensation.aspx

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Canada Territory Map	http://intranet.hp.com/tsg/SalesCompensation/CanadaSalesCompensation/Pages/territorymaps.aspx
Product Line Chart	http://intranet.hp.com/tsg/WW2/wwsalescomp/AMS/Pages/CompensationReference.aspx
Field Sales Manual Claim Submission and Omega Quarterly Close Schedule	**Canada:** http://intranet.hp.com/tsg/SalesCompensation/CanadaSalesCompensation/Documents/bonus%20opportunities/Cdn%20Payroll%20Calendar%202009%20v1.xls **U.S.:** http://intranet.hp.com/tsg/WW2/wwsalescomp/AMS/Pages/ManualClaims.aspx
Sales Compensation, SAB101 & Order Entry Cutoff Guides	http://intranet.hp.com/sites/aso_csdm/Pages/OrderentryCutoffGuides.aspx

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HP SERVICES SALES CREDITING

Services sales credit will be applied based on the order recognized using the Sales Metric Code Definitions.

Note: Questions/Inquiries are to be submitted first to the assigned Contract Administrator.

Secondary Contacts: Troy Haight (TS Customer Ops), Leeann Telles (Sales Programs), Mike Nedrow (TS Sales Ops). Third Contacts: Sales Operation Analysts: Kevin Hawkey, Jeanette Vernon, Pam Vick and Pam Glover.

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Federal Installed-Based Overlay Program (U.S. only) - Sales credit eligibility for indirect renewal business administered by the Federal installed base sales employee on defined channel accounts with a Federal Named (i.e., US Army) account as the end-user. Manual claim required.

Direct-To-Authorized Service Management Program (U.S. only) - The objective of this program is to credit the Commercial TS Sales employee (C1) and Sales Manager (C2) for referring the IB customer to a Partner in the current year. This is critical in the commercial space since this is an initiative within that organization to move as many customers as possible to a Partner. A manual posting is required since there is no systemic way to credit end-user sales employees for HP customers on a Partner contract. The crediting will be administered by way of a manual posting based on reports provide by Jeanette Vernon - HP Services Sales Operations.

Note: Quota is assigned to Commercial 1 & 2 for the renewals that are moving to Channel via Direct-To-ASMP program. A quota increase to the Channel will be performed by the SCO Representative for the dollar amount used for the manual posting.

Direct and Indirect Sales Crediting Logic

The following crediting logic for direct and indirect sales crediting covers the majority of crediting scenarios:

	DIRECT*	INDIRECT, Partner Direct and HP Direct (Vista)
Territory Crediting (includes area portion of a hybrid plan)	Sold-To Zip Code – US Ship-To Postal Code – Canada	Ship-To Zip Code
Named Account Crediting	Sold-To Customer – US Ship-To Customer – Canada	Ship-To Customer or Partner Reported Customer

*US Sales to US Federal SIs should be credited as direct unless an HP Partner is involved.

INDIRECT SALES CREDITING

Per the terms and conditions of the HP reseller contract, at HP's discretion, resellers that meet predetermined criteria are selected to participate in the reporting of indirect sales. Reporting guidelines indicate that resellers must report sales of all HP products for which resellers invoiced end customers.

Indirect sales credit is dependent upon reporting of Sales Out data. Sales Out data is usually visible in the incentive pay system within one to two weeks following receipt of partner sales reporting. Partner sales reporting includes sales of new services, but excludes all renewal services sales.

Crediting is dependent upon partner and customer identification provided in Sales Out data. Cross-referencing of Customer and Customer location uses a combination of sources to determine which accounts should receive credit and valuation of the credit. The fiscal month credited is determined by the partner reported date, which is typically an invoice date or ship date. Therefore, indirect transactions are not subject to the quarterly cut-off policy.

U.S. and Canada reporting partners are accessible via the Value and Volume Reporting Resellers link under 'Useful Links' menu on the Americas SCO website. More partner information is available via the Partner Information Management website: http://athp.hp.com/portal/site/mypim/index.jsp

Territory & Named Crediting

Reseller Sales Out is used for a select list of larger, and/or multi-branch reporting resellers. Sell-To information (aka RSO) from reporting 1st and 2nd tier partners is used for end-user based crediting. Sales credit is based on ship-to or end-user customer location and credit is applied based on partner-reported date.

Sell-through (aka CSO) data is used when sales are through non-reporting resellers and credit is based on drop-ship information, when available.

Partner Crediting

Sell-Through (aka CSO distribution) and Sell-To (1st and 2nd tier resellers) are used for partner or partner branch based crediting. Sales credit is based on reseller location, AMID, ICN (Internal Contract Number) (U.S.), Channel Sales Reporting Tool (CSRT) identifier (U.S.), or CPR (Canada).

HP Direct (Vista) Agent-Take-Title Transactions (U.S. Only)

To avoid duplicate crediting, HP Direct (Vista) Agent-Take-Title transactions for reporting partners are not credited at the time of shipment from HP to the reseller. Instead, the transactions are credited based on the date of sale and data reported by the reseller.

Reporting Partners	Credit for HP Direct agent-take-title transactions through ***reporting partners*** is not given based on the HP Direct (Vista) data but will be given based upon the reporting partners Sell-To sales reporting.
Non-Reporting Partners	Credit will be applied via HP Direct (Vista) data for HP Direct agent-take-title transactions through ***non-reporting*** partners.

Indirect/Channel Crediting:

Sales credit for indirect new business will be applied to the end-user accounts. This includes NCRF-defined Facility Managers and System Integrators, where quota was deployed. Credit is based on Sales Out reporting to HP. If an eligible partner does not report, a manual claim may be required.

Sell-With/Through Crediting:

For direct accounts, including TS alliance accounts, selling to, with, or through to other end-user accounts, sales credit will be applied based on the sold-to customer only (ship-to customer in Canada) and standard crediting rules apply (except as defined for authorized accounts in the Communications, Media & Entertainment Joint Go-To-Market (CME JGTM) Program: http://intranet.hp.com/tsg/WW2/CME/Joint_Go-To-Market/Pages/index.aspx

SALES CREDITING MODELS

Crediting in the Named Model

HP's Industry Sales (Corporate), Enterprise, Federal, SLED, Mid-Market (Commercial) SMB Named and particular Channel Partners, are considered named accounts. When sales resources are assigned to specific named account(s), crediting is based on the named model. Named accounts (including identified subsidiaries and affiliates) are determined during each fiscal half planning process.

Through the New Customer Reference File (NCRF) process, accounts are assigned an Account Management ID (AMID). AMIDs associate and group account information using customer reference information such as HP's customer number and Dun & Bradstreet (D&B) DUNS numbers. AMIDs allow a link between the named account, or a specific portion of a named account, to the assigned sales role(s) for crediting.

Named account crediting is based on the activity for the entire account (AMID) U.S. wide, except for defined remote coverage exceptions (see Remote Coverage for Named Accounts section, below).

Named Account crediting is determined as follows:

Direct Business: including HP Direct (Vista) non-Partner Source transactions (no Vista or Business Store/Web in Canada):

- Direct transaction crediting is based on the AMID or territory of the sold-to customer code (ship-to customer in Canada). Vista Direct data in the U.S. is credited on the AMID or territory of the ship-to customer ID for SMB, the ship-to name/address for Enterprise and the identified end-user customer id for Public Sector.
- For Vista orders the invoice date is used to determine the fiscal period in which sales credit will be applied.
- Third Party crediting is applied based on the invoice date.

Indirect Business – including HP Direct (Vista) Partner Source, HP Prime, Business Store/Web Associate Program (WAP) (no Vista or Business Store/Web in Canada):

- Indirect transactions are credited based on the AMID or territory of the ship-to customer as reported by the partner.
- Includes distributor and HP drop-ship reporting (HiP, Reseller, VAR, SI, ISV)
- Manual claims may be submitted for non-reported transactions.
- For Vista orders the invoice date is used to determine the fiscal period in which sales credit will be applied.
- Third Party crediting is applied based on the invoice date.

Remote Coverage for Named Accounts

Individual generalists and/or specialists may have been assigned to cover remote sites or only a portion of a named account. In these cases, the assignment is identified by the account name with specific states covered or is identified by a unique AMID or a unique Site Duns number.

Remote account coverage is determined during each performance period planning and rostering cycle, and is based upon defined sales coverage requirements.

Crediting in the Territory Model:

Territories are defined by geographic sales boundaries. In FY08, the U.S. geographic sales boundaries are based on 11 areas: North Plains, South Central, Northern California, Pacific & Mountain, Southwest, Southeast, Midwest, Ohio Valley, Liberty, New England, and Mid-Atlantic. For Canada, the geographic sales boundaries are based on 15 areas: British Columbia, Northern Alberta, Southern Alberta, Saskatchewan, Manitoba, Central Ontario, Southwestern Ontario, Northern Ontario, Ottawa, Greater Montreal Area, Eastern Quebec, Atlantic – NS/NB and Atlantic – PEI/NFLD.

In addition, there are 31 defined personal areas for the US TSG; 34 defined personal areas for the US PSG; 74 defined personal areas for the US IPG Commercial Territory and ProCurve; all are mapped to the 11 geographic areas.

When sales resources are assigned to a territory, crediting is based on the territory model. Crediting within a specific geographic dimension is based on zip code (postal code in Canada) and can include all customer segments or just specific segments (i.e. Commercial/SMB). Territory boundaries are determined during each fiscal half planning process.

Territory crediting is based on the activity for the entire geographic dimension and is shared by other sales employees with assignments in the territory. Territory crediting includes both direct and indirect business. Territory Crediting is determined as follows:

Direct Business – including HP Direct (Vista) non-Partner Source transactions (no Vista or Business Store/Web in Canada):

- Direct transaction crediting is based on the AMID or territory of the sold-to customer code (ship-to customer in Canada). Vista Direct data in the U.S. is credited on the AMID or territory of the ship-to customer ID for SMB, the ship-to name/address for Enterprise and the identified end-user customer id for Public Sector.
- For Vista orders the invoice date is used to determine the fiscal period in which sales credit will be applied.
- Third Party crediting will be applied based on the invoice date.

Indirect Business – including HP Direct (Vista) Partner Source, HP Prime, Business Store/Web Associate Program (WAP) (no Vista or Business Store/Web in Canada):

- Indirect transactions are credited based on the AMID or territory of the ship-to customer as reported by the partner.
- Includes distributor and HP drop-ship reporting (HiP, Reseller, VAR, SI, ISV)
- Manual claims may be submitted for non-reported transactions. See the Manual Claims section of this document for more details.
- For Vista orders the invoice date is used to determine the fiscal period in which sales credit will be applied.
- Third Party crediting will be applied based on the invoice date.

OTHER CREDITING PROGRAMS & CREDITING LOGIC

Third Party Products/Services (Canada only)

When sold as part of a solution, sales employees are credited 15% of the third party products or services based on Gross Accounting Principles. When not sold as part of a solution, but warranted by HP, sales employees are credited 35% of the third party products or services based on Net Accounting Principles. When net accounting is used, the order value will be equivalent to the net accounting amount. When gross accounting is used, the order value is equivalent to the gross accounting amount.

Better Together Storage Credit (U.S. only)

NonStop (NED) Sales Employees will receive sales credit for selling XP Storage products within NonStop Environments. This will be administered by way of a manual posting based on reports from the Data Provider, Sue Claridge.

- NED sales employees will be paid at NET price for both Direct/Indirect orders for XP storage products (PL LN).
- Sales Credit Eligibility: New Business/ Add-ons/ Upgrades

Multinational Credit for U.S. Federal Transactions

When Federal transactions include international shipments considered on "U.S. Soil," 100% crediting is applied to the federal account. U.S. State Department or Intelligence locations (U.S. Embassies, veteran's hospitals, schools and military installations) located in another country is considered U.S. Soil (land). If the crediting is not applied systematically, a manual claim is required. See the Manual Claims section of this document for more information.

MILITARY LEAVE FOR SALES EMPLOYEES

United States - 100% Target Incentive Amount for a maximum total of five years. An appropriate prorated adjustment will be made for part-time employees.

For more information refer to the U.S. Policy website:
http://hrcms01.atl.hp.com:6554/public/pages/benefits/policies/en_US/column_page_0137.htm - 5

Canada - 100% Target Incentive Amount for a maximum period of up to 26 weeks. An appropriate prorated adjustment will be made for part-time employees.

For more information refer to the Canada Policy website:
http://hrcms01.atl.hp.com:6128/public/pages/pol_sg/en_US/hr_policy_page_20006.htm

WORKFORCE MANAGEMENT INCENTIVE CALCULATION

United States - Sales Employees will be paid 100% TIA for each business day of the five week job search period. The calculation period begins after the last working date on the GHRMS report. Sales employees whose last working day is mid-month (with approved quota) will receive incentives for the month **plus** 100% TIA for each business day of the five week job search period. TIA will be paid with the monthly incentive check at the end of the month. TIA payments will cease upon securing a new position within the company or at the end of the 5 week period.

MERGERS & ACQUISITIONS BETWEEN CUSTOMERS

This section is provided for information purposes only.

Following are the 2009 guidelines for mergers and acquisitions between customers as supported by the NCRF team, not SCO:

- The rule is that any merger, acquisition or spin-off involving any named account including joint ventures, subsidiaries or divisions of named accounts is held back during the half that the transaction occurred. At the start of the next fiscal half the rule is that all mergers, acquisitions or spin-offs are recognized and the acquired account moves to the acquiring account. If there is annual quota the business may request that the transaction be held back and not merged into the acquiring account but it is not recommended by NCRF due to the buying will most likely shift to the acquiring company.
- Mergers and acquisitions between two unnamed SMB (AUDEFAULT) accounts will take effect as soon as the merger or acquisition is final and recognized by D&B. The accounts will be realigned to the surviving or new company.
- When a named account acquires an unnamed SMB account and is reported by D&B there are two scenarios where one is held back until the next fiscal half and one is processed immediately.
  - An acquired account is held back until the next fiscal half if there is an existing AMID with an SMB Class Code e.g. SNX or SQI.
  - An acquired account is NOT held back until the next fiscal half if the AMID is AUDEFAULT but is immediately processed into the acquiring account.
- Note that there are specific named SMB accounts owned by Volume Sales. These accounts will be treated as named accounts and will follow the rules that apply to all named accounts. The SMB named Volume accounts can be identified in NCRF by their class code – SQX.
- All named account M&A activity is subject to periodic cutoff dates for account nomination and quota setting purposes. M&A transactions must be legally complete by these dates to be processed and/or recognized. Pending M&A transactions not legally complete by the cutoff date will be held back until the next half quota period.
- Special consideration is given to private equity transactions; these transactions are private and do not always follow normal business alignment rules.
- The term "held back" means that the merged or acquired account will remain aligned to the company who owned the merged or acquired account at a designated cutoff date before the beginning of each fiscal half.

How to Get More Information

Contact your SCO Representative for the following types of questions: Sales Comp Ops Contact List – located in the menu - Organization Links: http://intranet.hp.com/tsg/WW2/wwsalescomp/AMS/Pages/AMSHome.aspx

- Incentive pay questions
- Crediting questions/concerns
- Roster questions
- Compensation plan questions
- OMEGAonline
- Policy questions

RECORDS RETENTION REQUIREMENTS

NOTE: All Americas SCO process\program documents should contain this "**RECORDS RETENTION REQUIREMENTS**" section, populated with information from the current Americas SCO Official Records and Data Archiving Plan. Consult with the Americas SCO Records Coordinator to complete this section.

SCO Data Type	GRM Record Series / Total Retention Period	Retention Period on SCO SharePoint	Retention Period on Archive Medium (in CHARMS)
Processes	**CM109** – Policies, Standards, Programs and Procedures General.	Current + prior year	Active + 10 Confirm with current GRM policy prior to destruction.
Archive Medium:	Paper or FileNet		
Archive Owner:	Marge Falconer, Americas SCO Records Coordinator		
Archive Schedule:	Archive each official process version as it is finalized.		

DOCUMENT HISTORY	
NOTE: All revisions to this process must be authorized by Process Owner and approval of each version saved to SCO SharePoint.	
Revision Date	**Revision Notes**
07-July-2009	HP Services Sales Crediting ▪ Enhanced the sales metric code wording ▪ Eliminated Indirect IB manual crediting program for FY09. ▪ ASMP – replaced Mid-Market TS Sales Employee with Commercial (1) TS Sales Employee. Additionally, Commercial (2) Sales Managers to receive sales credit. A quota increase to the Channel will be performed for the dollar amount used for the manual posting. Other Crediting Programs and Crediting Logic ▪ Third Party Products/Services: Crediting percentage change from 15% to 35% for orders not sold as part of a solution. ▪ Better Together Storage credit: Indirect order credit changed from 30% of list to net price. Add-ons and upgrades eligible for credit. ▪ Eliminated Outsourcing Services/BTO Manual Posting Program for FY09. ▪ Multinational Credit for U.S. Federal Transactions: added 'schools' as an eligible location. Addition Reference Section ▪ Added Sales Compensation, SAB101 & Order Entry Cutoff Guides Workforce Management Incentive Calculation ▪ New for FY09 – U.S. only Mergers & Acquisitions between customers ▪ Revised the wording to better enhance the description
07-July-2009	First published version of the U.S. & Canada SC Handbook

EXHIBIT 11

FY2006
U.S. SALES INCENTIVE
CREDIT and COMPENSATION PLAN

Business Unit: TSG Corporate/Enterprise/Public Sector - Alliances/ISV/Partners

SI/ALLIANCE MGR

Omega Sales Specialty Code: GGTE038CUS

Effective: 11/01/2005
Plan Document Revision Date: 01/27/2006
NOTE: Printed copies of this document are uncontrolled

General Information:

Sales Role Name:	SI/ALLIANCE MGR
Performance Period:	Semi-Annual

Your Sales Incentive Credit and Compensation Plan (referred to herein as Sales Plan) is governed by the North America Sales Compensation Incentive Pay Administration Policy and the WW Sales Credit Policy (213.0100). Please read these policies as well as the related policies referenced therein and discuss any questions you have with your manager, prior to goal acknowledgement, if possible.

Acknowledgement of your Goal Sheet constitutes acknowledgement of your Sales Plan.

There are no oral agreements concerning incentive compensation between the sales employee and Hewlett-Packard which are not contained herein. No modification of this Sales Plan shall be effective unless approved in writing by Sales Management and Sales Compensation Operations Management. This Sales Plan supersedes all previous incentive compensation plans between the sales employee and Hewlett-Packard. In the event of any dispute regarding the terms, application of or payment under the plan, Hewlett-Packard shall decide each such dispute in its sole discretion.

Individual Goal Sheets, North America Sales Compensation Incentive Pay Administration Policy (including definitions of terms), WW Sales Credit Policy, U.S. Sales Compensation Incentive Credit Reference, Bonus and SPIF Programs, contacts, payment calendar, and other compensation tools and references are available on the Americas Sales Compensation Operations website: http://americas-sales-comp.corp.hp.com/

A management review will occur if an individual's attainment exceeds levels identified by Worldwide or U.S. Sales Compensation; review may result in quota and/or assignment changes.

As always, in this rapidly changing environment, Hewlett-Packard reserves the right to amend any aspect of an incentive employee's sales compensation, including (but not limited to): mix of base and incentive pay; reassignment, addition or deletion of designated accounts; and/or increase or decrease of corresponding quota and sales objectives.

Incentive Components:

Your Sales Plan provides you with incentives over and above your base salary, based on the performance measures in the following table.

Measurement of sales performance components will be based on percent attainment of quota assignment for each performance measure as identified in your personal Goal Sheet, accessible from The Americas Sales Compensation Operations Website.

All sales performance components are calculated based on the results of the performance measure, within the defined performance period. Payment frequency varies depending on the performance measure. Each performance measure is calculated and paid independently.

Performance Measure[1]	Metric Scope[2]	Incentive Weight	Multiplier Table[3]	Source Feed(s)[4]
VALUEPLUS_TOP_LINE	Partner Account - US	75%	Schedule A	M, SD, SI, SO, ME, MP, OD, OO
FSO Semi-Annual (Web-fed) - FSOs selected from WW approved menu [5]	Partner Account - US	25%	Schedule R	P

[1] Refer to the 1H06 Metric Slide Deck in the Sales Force Toolkit accessible from The Americas Sales Compensation Operations Website for product line details for each metric category. (FSO, manual and margin metrics are not defined by product line in the Credit Reference.)
[2] Refer to FY2006 U.S. Sales Incentive Credit Reference accessible from The Americas Sales Compensation Operations Website for additional information regarding metric scope.
[3] Refer to **Multipliers** section of this Sales Plan for applicable performance ranges and multipliers.
[4] Refer to **Source Feeds and Valuation** section in the FY2006 U.S. Sales Incentive Credit Reference accessible from The Americas Sales Compensation Operations Website for source feed detail of each performance measure. Based on your sales assignment, specific transaction types may be excluded from the system feed(s) identified for your performance measure(s).

[5] Focused Sales Objective (FSO) measurement is based on attainment of objectives identified by your sales manager. Each objective will be assigned a weighting. The aggregate weighted performance of these objectives will determine overall achievement. To be valid, FSOs must be approved and entered into the FSO application located on the Americas Sales Compensation Operations website.

Bonus/SPIF Opportunities
Additional incentive compensation may be available pursuant to the terms of documented and approved Bonus and SPIF programs. Eligibility, target payment, performance period and payment frequency will vary by program. Such programs are announced as approved and documentation is housed on the Americas Sales Compensation Operations website.

Multipliers:

Following are the multipliers that apply to this Sales Plan.

Schedule A		
Performance	Rate	TIA Paid
0 - 60%	.5	30%
60 - 100%	1.75	70%
100 - 137.5%	1.78	66.75%
137.5 - 175%	3.554	133.27%
POE = 175%	1.00	NA
Pay at 175% POE		300.02%
Refer to Payment Cap information below		

Schedule R		
Performance	Rate	TIA Paid
0 - 200%	1.00	200%
POE = 200%	Capped	NA
Pay at 200% POE		200%
Refer to Payment Cap information below		

700% Payment Cap: Incentive pay will be capped at 700% of your performance period TIA. This payment cap applies to total incentive earnings (exclusive of Bonus and SPIF earnings) for the performance period, for the time period spent in this Sales Plan. If you move to a different Sales Plan within the performance period, your 700% of TIA calculation will be prorated for each Sales Plan calculation.

Leverage Component Payment Cap: Any quantifiable metric wherein there is a combination of resale and leverage business, will have a hybrid payment cap approach applied. The portion of the quantifiable metric that is deemed to be leveraged performance will have a payment cap applied at 150% of performance period TIA. The portion of the quantifiable metric that is deemed to be resale performance will have a payment cap applied of 700% of performance period TIA. These payment caps apply to total leveraged performance and total resale performance (exclusive of Bonus and SPIF earnings) for the performance period, for the time period spent in this Sales Plan. If you move to a different Sales Plan within the performance period, your TIA calculation will be prorated for each Sales Plan calculation.

200% FSO Payment Cap: Incentive pay on traditional FSO plans or truly strategic FSO components within Sales Plans will be capped at 200% of your performance period TIA. This payment cap applies to FSO plans and FSO components of pay plans only and is exclusive of Bonus and SPIF earnings for the performance period or for the time period spent in this Sales Plan. If you move to a different Sales Plan within the performance period, your TIA calculation will be prorated for each Sales Plan calculation.

Calculation:

Period to Date (PTD) actual attainment against entire performance period quota is used to calculate the payment for each sales performance measure. Your attainment against quota will be paid as a percent of Target Incentive Amount, based on the incentive weighting identified in the Incentive Components table on page 3.

Calculation of attained Focused Sales Objective (FSO) measures will be defined in your custom metric plan document, registered online at the Americas Sales Compensation website and based on the incentive weighting identified in the Incentive Components table on page 3.

REVISION HISTORY:

Date	Version	Revision Notes
01/27/2006	Version 1.0	FY06 plan documentation effective November 1, 2005

EXHIBIT 12

invent

SALES CREDIT

213.0100

This policy replaces the previous Sales Credit Policy. The following eight major changes have been made to this policy:

1. Non-HP Branded Products – I.B.2. HP sells products in situations where the end-user customer also requires non-HP branded products from Cisco and/or non-HP branded accessories for personal computers as part of the solution. In these selling situations sales reps receive sales credit for 50% of the non-HP branded products net resale value. For all other non-HP branded products, sales reps receive 15% of the non-HP branded products net resale value.
2. Quota Allocation – II.A. Each region sales force management team must ensure that ASPIRE revenues are properly uplifted to cover planning variation and business risks for the products/services they sell. Exceptions to the prescribed uplift factor ranges for each six month period must be approved by the Worldwide Business Finance Manager.
3. Indirect Sales – II.B.2. For indirect sales to a known end-user customer of all products and services in Asia Pacific and Japan, compensation quota is calculated as the CLCP to the channel partner/reseller net of actual discounts and price adjustments. For indirect sales to a known end-user customer of all products and services in Europe Middle East & Africa, compensation quota is calculated as the CLCP to the channel partner/reseller net of a weighted average discount.
4. Currency Conversion – II.D. Local currency is converted to USD based upon the HP treasury monthly sales compensation conversion rate for that country.
5. Quota Changes – II.E. – Significant changes in a particular marketplace that are often caused by acquisitions, divestitures, mergers, outsourcing, privatization, etc., may be reviewed for individual changes to existing quotas. Requests for quota changes must be fully documented and be a minimum of 5% of the total quota for a particular account or sales rep. Quota changes contained within a single country must be approved by the appropriate Country Sales Manager. Quota changes contained within a region must be approved by both the appropriate Region Sales Manager and the Region Sales Compensation Manager.
6. Multinational Sales Credit Splits – III.A. Sales credit is split 50% to the sold-to country and 50% to the ship-to country for all hardware, software, technology services, consulting & integration, etc. An exception is sales credit for sales of standalone imaging and printing products which may be negotiated for multinational quota splits by imaging and printing country sales managers.

   There is no minimum order/shipment value to qualify for a multinational sales credit split except for standalone imaging and printing products, and technology services (formerly customer support) agreement orders. Both shipments of standalone imaging and printing products, and also technology services agreement orders must have a CLCP greater than 100 thousand USD to qualify for a multinational sales credit split.
7. Service Provider Partners – IV.B. Service Provider Partners (SPP) joint go-to-market program promotes cooperation between service provider sales reps and end-user customer sales reps in joint sales activities. For pre-approved service provider accounts and solutions, the following sales credit is granted when both the service provider sales rep and the end-user customer sales rep team are jointly involved in one

of the following sales motions:

-HP sells product/service (excluding renewals) to a service provider

-HP sells products/services (excluding renewals) to an end-user customer

-HP sells to both a service provider and an end-user customer

8. Implementation – Multinational sales credit splits that have been properly approved, but not yet implemented by selected countries, should be escalated to Worldwide Sales Compensation Operations for resolution.

Background

The principal method of recognizing sales representatives and sales entities for sales effort is sales credit. Sales credit drives compensation. As the sales process required in selling worldwide solutions becomes more complex it is usual for more than one party to be involved. In such situations, it is necessary to allocate sales credit in a manner that recognizes genuine sales contribution, is motivational to the parties involved, and minimizes inter-party conflicts. Compensation quota, which recognizes the multiple contributions of the sales team in obtaining orders and subsequent shipments/deliveries, permits this to occur.

This policy applies to all business groups with the exception of sales employees of HP Financial Services. Providing legal/negotiating resources to ensure that an end-user customer's contract is current and providing pre-sales effort with HP's products and services are cost relief situations that are not eligible for compensation quota.

Policy

I. ASPIRE QUOTA

A. ASPIRE QUOTA SETTING

ASPIRE revenue is set in United States Dollars (USD) and is equivalent to orders/shipments net of discounts and price adjustments. Depending on the country and the product, either revenue or invoice is used instead of shipments. Discounts are reductions in price earned by signing purchase agreements, buying demo products, complying with promotion requirements, etc. Price adjustments are reductions in price granted by HP at the same per unit amount for ordering in economic quantities, for inventory price decrease protection, for trading-in products, etc.

ASPIRE quota is used by Regions, Global Business Units (GBU) and product lines to track actual order/shipment performance. ASPIRE quotas are established every six months after agreement from each business and the sales teams that plan to sell their products/services.

Quota is set in Japan in Yen and is equivalent to orders/shipments at Converted Local Currency Price (CLCP) net of discounts and price adjustments.

B. ELIGIBLE PRODUCTS/SERVICES

1. HP Products/Services

Sales representatives will be granted quota credit for all HP branded products/services within their assigned sales teams that are sold directly or indirectly to end-user customers, channel partners (SI's, VAR's, etc.) and resellers (dealers, retailers, etc. who stock inventory).

Quota credit is granted on the line-items of the order that have an HP product/service number (product/service number format includes either format of both pre-merger companies) and HP associated warranty. This allows both products purchased from other suppliers and also services sub-contracted for third party delivery that have been assigned an HP product/service number and associated HP warranty to be sold as HP branded products/services with corresponding quota credit.

All sales teams responsible for service projects grant quota credit to travel charges billed to customers, as this is revenue to HP. All sales teams grant quota credit to installation/site preparation charges and support agreements when they are sold up front.

All sales teams responsible for channel partners/resellers grant quota credit for supply chain services sold as products.

Replacement parts are booked at full value as a fiscal order/shipment. No quota credit is applied.

2. Non-HP Branded Products

Non-HP branded products that are sold to end-user customers, channel partners (SI's, VAR's, etc. and resellers (dealers, retailers, etc. who stock inventory) and not warranted by HP are booked at their net resale value as a fiscal order/shipment.

HP sells products in situations where the end-user customer also requires non-HP branded products from Cisco and/or non-HP branded accessories for personal computers as part of the solution. In these selling situations sales reps receive sales credit for 50% of the non-HP branded products net resale value. For all other non-HP branded products, sales reps receive 15% of the non-HP branded products net resale value.

Sales reps are not granted sales credit for selling non-HP branded products to channel partners and resellers.

3. Non-HP Branded Services

Non-HP branded services that are subcontracted and not warranted by HP are booked at their net resale value as a fiscal order.

4. Products/Services Exceptions

No quota credit is granted to non-HP Financial Services sales representatives for extensions of HP Financial Services leasing agreements that have expired. No quota credit is granted to sales representatives for consumer sales made by HP to employees of the customer account through employee purchase programs where the ship-to address is the employee address.

C. QUOTA RECOGNITION

1. Hardware and Software

The following products and services must be ordered within 90 days of delivery/start of agreement for end-user customers, channel partners (SI's, VAR's, etc.) and resellers (dealers, retailers, etc. who stock inventory) to be recognized for quota credit and corresponding compensation:

- Hardware products and attached packaged services
- Software products and attached packaged services

Quota for orders for hardware/software products and attached packaged services are recognized at two different events. The quota for the hardware/software products is recognized when they are shipped and the quota for the attached packaged services is recognized when the order is placed. Depending on the country and the product, either revenue or invoice is used instead of shipments.

2. Support

2.a. New Support Agreements (not prepaid)

Orders for new support agreements require the order date of the agreement be within 180 days of the start date of the agreement. New support agreements will have the full amount recognized on the order date with a twelve-month maximum. Orders to replace expired contracts that are not renewed in 180 days are treated as new support agreements.

Add-ons (both single product and additional agreement) to existing upfront support agreements and ongoing support agreements require the order date of the add-on be within 180 days of the start date of the add-on, provided the order for the existing agreement has already been recognized. Add-ons will be recognized through the end of the existing agreement term with a twelve-month maximum.

2.b. Prepaid Support Agreements

Orders for new prepaid support agreements require the order date of the agreement be within 180 days of the start date of the agreement. New prepaid support agreements will have the full amount recognized on the order date. Orders to replace expired contracts that are not renewed in 180 days are treated as new agreements.

Orders for prepaid extensions/renewals that are added to a current prepaid support agreement require the HP order date be no earlier than 90 days prior to the expiration date of the agreement. Prepaid extensions/renewals to current prepaid support agreements will have the full amount recognized on the order date.

New upfront prepaid packaged services purchased as part of the hardware/software sale will be recognized in their entirety.

Prepaid orders require the customer make HP a terms and purchase authorization commitment for a single payment for the total amount at the start of the support agreement. New packaged services purchased as part of the hardware/software sale financed by HP Finance are considered prepaid. Renewals that are financed through HP Finance will not be recognized at a prepaid value.

2.c. Renewal Support Agreements

Orders for renewal support agreements require the HP order date be 90 days prior to the expiration date of the agreement. Standard renewals of support agreements will have the full amount recognized on the order date with a twelve-month maximum.

Order credit for conversions of packaged services and warranty conversions that are integrated into a support agreement renewal will be recognized at time of support agreement renewal. Conversions of annual support agreements to evergreen support agreements are treated as renewal support agreements.

2.d. Renewal Evergreen Support Agreements

An evergreen agreement is one in which the customer accepts an on-going contractual relationship with HP, where on an annual basis they receive reprice information and the agreement is automatically continued if not formally rejected. Annual renewals of evergreen support agreements will have the full amount recognized on the anniversary date of the agreement with a twelve-month maximum.

2.e. Multi-year Support Agreements (not prepaid)

A multi-year agreement is one in which the customer accepts a multiple year term. The customer can choose to provide HP with a multiple year purchase order upfront or issue annual purchase orders. If the customer provides HP with a multiple year purchase order upfront, the annual renewal will have the order recognized on the anniversary date of the original order with a twelve-month maximum. If the customer issues HP annual purchase orders, the annual renewal order date must be no earlier than 90 days prior to the expiration of the annual renewal cycle with a twelve-month maximum.

2.f. Per Event Services

Per event Services must be ordered within 180 days of delivery/start of agreement.

Orders for a per event service may include complex hardware/software installations, assessments, advisory support, etc. If the scope of the work can be defined, planned and priced upfront, orders with a CLCP greater than 100 thousand USD may be booked with delivery scheduled over a maximum of twelve months. Orders for delivery past twelve months of the original order date will be entered in monthly or quarterly increments as they are included within the moving twelve-month window for required delivery. Orders with a CLCP less than 100 thousand USD may be booked with delivery scheduled over a

maximum of three years.

If the scope of work is not planned and pricing cannot be defined upfront, quota credit is granted after service delivery.

2.g. Per Call Time and Materials Services

Per call time and materials services, typically initiated directly through the service delivery organization for hardware/software not covered by an agreement, are booked as a fiscal shipment. No quota credit will be granted towards quota fulfillment.

2.h. Education Services

Education services must be ordered within 180 days of delivery/start of agreement.

Orders for education services with a CLCP greater than 100 thousand USD may be booked with delivery scheduled over a maximum of twelve months. Orders for delivery past twelve months of the original order date will be entered in monthly or quarterly increments as they are included within the moving twelve-month window for required delivery.

Orders for education services with a CLCP less than 100 thousand USD may be booked with delivery scheduled over a maximum of three years.

3. Managed Services

3.a. Managed Services Agreements

New managed services may include Due Diligence or Transition and Ongoing agreement orders as separate transactions. The Due Diligence order includes evaluation of customer requirements, environment, needed infrastructure, etc. The Transition services include setup of the customer's operations environment as a pre-requirement to enter into the Ongoing services, which are the contractually managed services. Transition and Ongoing services must be treated as one agreement. The transition amount is spread over the total contract duration and the total contract value is booked in yearly twelve-month increments. An exception is when the customer purchases Transition services as a pilot, in which case Transition services are an extension of Due Diligence.

Orders for new managed services require the order date be within 180 days of the start date of the service. Orders for Due diligence (when negotiated as a separate transaction from the transition/ongoing services) will have the full amount recognized on the receipt of a purchase order or signed agreement, with a twelve-month maximum. Orders for new Transition and Ongoing managed services will have 50% of the amount recognized on the receipt of a purchase order or signed Letter of Commitment (LOC), with a twelve-month maximum. The remaining 50% of the amount will be recognized on the receipt of the signed Service Level Agreement (SLA), with a twelve-month maximum.

Add-ons to managed services agreements require the order date of the add-on be within

180 days of the start date of the add-on, provided the order for the existing agreement has already been recognized. Add-ons will be recognized through the end of the existing agreement's term with a twelve-month maximum, to align the add-on end date to the yearly periods of the original agreement.

3.b. Renewal Managed Services Agreements

Standard renewals, annual renewals of multi-year agreements, and evergreen managed services agreements will be recognized in yearly increments on the anniversary date (not the order date) of the first order/agreement.

3.c. Prepaid Managed Services Agreements

Orders for new or resold prepaid managed services agreements require the order date of the agreement be within 180 days of the start date of the agreement. All orders for prepaid managed services agreements will have the full amount recognized upon receipt of the signed Service Level Agreement (SLA).

Prepaid orders require the customer make HP a terms and purchase authorization commitment for a single payment for the total amount at the start of the managed services agreement. Managed services agreements financed by HP Finance are not considered prepaid.

3.d. Project Managed Services

Project managed services are standalone services which are not part of Due diligence, Transition or Ongoing services agreements. Instead, these are "one-off" projects negotiated separately from managed services agreements.

Orders for new project managed services require the order date be within 180 days of the start date of the services. Orders for new project managed services with a CLCP greater than 100 thousand USD may be booked with delivery scheduled over a maximum of twelve months. Orders for delivery past twelve months of the original order date will be entered in monthly or quarterly increments as they are included within the moving twelve-month window for required delivery. Orders with a CLCP less than 100 thousand USD may be booked with delivery scheduled over a maximum of three years.

4. Consulting & Integration

Consulting & integration services must be ordered within 180 days of delivery/start of agreement.

Orders for consulting & integration services with a CLCP greater than 100 thousand USD may be booked with delivery scheduled over a maximum of twelve months. Orders for delivery past twelve months of the original order date will be entered in monthly or quarterly increments as they are included within the moving twelve-month window for required delivery.

Orders for consulting & integration with a CLCP less than 100 thousand USD may be booked with delivery scheduled over a maximum of three years.

5. Pay Per Use and Utility Sales

A Pay Per Use (PPU) agreement is one in which the customer pays a monthly fee that is calculated on a fixed predefined fee plus variable usage fee (based on monthly usage) for the use of HP products/services. A Utility agreement is one in which the customer pays a monthly variable fee that is calculated on actual usage of the HP products/service. PPU and Utility sales have custom terms and conditions and are usually managed through HP Financial Services.

Sales credit is granted for the net CLCP of the HP products shipped to the customer and the twelve month value of the HP annuity services associated with the products shipped, provided that (1) the customer is contractually obligated to pay a minimum usage fee over the life of the agreement that guarantees HP payment for the products shipped to the customer site(s) or (2) the customer is contractually obligated to pay for the residual value of the products shipped to the customer site(s) if the agreement is terminated prematurely. If these contractual conditions are not satisfied, sales credit is granted for the monthly usage fees over the first twelve months of the agreement (includes amortized hardware plus service value). Sales credit is not granted for estimated usage.

6. Lifecycle Sales

A Lifecycle agreement is one in which HP agrees to deliver, install, and support a large volume of products over a multiyear period in phases. Sales credit is granted for the value of products/services that the customer contractually commits to take delivery of during the first twelve months of the agreement. Sales credit is granted for products/services that the customer commits to take delivery for each subsequent delivery phase of the agreement. Sales credit is granted upon product shipment/service delivery if there is no contractual commitment to accept delivery of specified products/services during the first twelve months. No sales credit is granted for estimated numbers of products/services that are expected to be delivered.

7. Exceptions

The following orders may be booked with delivery scheduled for a maximum of one year to be recognized for quota credit and corresponding compensation:

- Orders for hardware and software products that cannot be manufactured within 90 days and require notification to supplying division(s) for their material requirements planning (MRP)

Orders for products/services (not buying agreements, letters of intent, etc.) from national governments placed under their multi-year pricing policy when legally required may be booked with delivery scheduled over a maximum of three years to be recognized for quota credit and corresponding compensation, excluding orders for non-prepaid consulting &

integration services, managed services, and customer support agreements. HP will make available the products/services specified in the multi-year agreement at the specified price and for the specified time period (Special code 13 – Contract Performance Requirement).

II. COMPENSATION QUOTA

A. QUOTA ALLOCATION

100% of all quota must be allocated as performance goals to sales reps at the beginning of each period. Quota credit granted to sales reps during the period must match the quota performance goals established at the beginning of the period. Sales reps may exceed the performance goals established at the beginning of the period since there are no per deal limitations.

Each region sales force management team must ensure that ASPIRE revenues are properly uplifted to cover planning variation and business risks for the products/services they sell. Exceptions to the prescribed uplift factor ranges for each six month period must be approved by the Worldwide Business Finance Manager. If there are unexpected vacant accounts/territories during the period, no more than 20% of the total quota can be unallocated to sales reps and held at the sales manager level.

B. QUOTA APPLICATION

1. Sales Reps

For sales that involve both a generalist account sales rep and a product/service specialist, both parties receive 100% compensation quota. The product specialist only receives 100% compensation quota for the products/services for which they are responsible.

For sales that involve multiple product/service specialists involved with the same product/service, the 100% compensation quota is split between the product/service specialists. An alternative is team compensation quota if a team quota performance goal was established at the beginning of the period.

For sales situations where a sales rep performs two separate functions in securing a particular order, compensation quota is only granted for one sales function per sales rep per order. A sales rep can only be credited once for a single transaction.

2. Indirect Sales

For indirect sales to a known end-user customer of:

- all products and services in Asia Pacific and Japan, compensation quota is calculated as the CLCP to the channel partner/reseller net of actual discounts and price adjustments

- all products and services in Europe Middle East & Africa, compensation quota is

calculated as the CLCP to the channel partner/reseller net of a weighted average discount

- services in Americas, compensation quota is the CLCP to the end-user customer established through upfront packaged entitlement identification or service delivery identification

- computer hardware and software in Americas, compensation quota is calculated either as a percentage of the CLCP for the product or as the CLCP to the channel partner/reseller net of discounts and price adjustments

Compensation quota is not granted to a direct sales rep for indirect sales when the end-user customer is not known.

3. Client Business Manager (CBM), Corporate Client Manager (CCM) and Services Principal (SP)

The Client Business Manager (CBM) receives 100% quota credit for their account for all orders/shipments from all countries regardless of where quota has been deployed. For multinational transactions the CBM receives 100% quota credit for the value of the orders/shipments. This includes the total quota for services plus the non-HP branded products/services orders for their account. The CBM is measured on the total compensation quota for hardware/software products plus total order quota for all services for their account.

The Corporate Client Manager (CCM) is measured exactly as the CBM except the scope of their assignment is less than the entire account.

The Services Principal (SP) receives 100% quota credit for their account for all services orders from all countries regardless of where quota has been deployed. For multinational transactions the SP receives 100% quota credit for the value of the orders. The SP is measured on the total order quota for services plus the non-HP branded products/services orders for their account.

4. Managed Services

Quota credit is not granted to individual sales contributors and their direct managers for the sale of new managed services outsourcing engagements. Quota credit is not granted for existing hardware/software products that are acquired as a result of a new managed services outsourcing engagement.

Quota credit is granted only to CBMs, CCMs, and SPs at the twelve month anniversary date for add-ons and renewals (ongoing business) of existing managed services agreements.

Quota credit is granted to the sales representative at the shipment/order date for additional new hardware/software products and services that are incremental to the existing installed base when the new managed services agreement was signed.

Pay Per Use Imaging and Printing (formerly managed office/print services) is not part of this

category.

C. METRICS

Metrics used for the purposes of sales compensation may include financial results, margin, orders, shipments, Total Customer Experience (TCE) or volume direct goals.

The CBM, SP and Corporate Client Managers (CCM) assigned to each of the 15 Top Corporate Accounts are measured on financial net results.

Margin is equal to the transaction net value (orders or shipments) less the product/service cost. The product/service cost can be determined by actual product/service cost or proxy (product mix) rates. Any margin calculation used for sales rep metrics and thus available for sales reps to access is subject to approval from Corporate and Sales Finance Controllers as well as the Corporate Legal function.

The order certification date is the date that the end-user customer/channel partner, the sales rep and order management all agree that the order is complete and meets HP's Order Acceptance Policy requirements. The date that appears on the Detail Order Record (DOR) or similar system generated order transaction of record is the date used to recognize sales credit. It is not the date when the first details of a potential order were gathered.

The date that appears on the Detail Shipment Record (DSR) or similar system generated shipment transaction of record is the date used to apply sales credit. It is not an estimate of or the actual delivery date to a specific end-user customer/channel partner and may not always represent the date of first movement of a product from HP to the end-user customer or channel partner.

Application of sales credit to HP sales professionals, for a given sales measurement period, stops on the cutoff date published by each Region Sales Compensation Operations team. Sales credit that is not applied during a given sales measurement period as a result of missing a cutoff date, will be applied during the next sales measurement period. Sales credit will not be retroactively processed for missing a cutoff date.

D. CURRENCY CONVERSION

Local currency is converted to USD based upon the HP Treasury monthly sales compensation conversion rate for that country.

E. QUOTA CHANGES

Significant changes in a particular marketplace that are often caused by acquisitions, divestitures, mergers, outsourcing, privatization, etc., may be reviewed for individual changes to existing quotas. Requests for quota changes must be fully documented and be a minimum of 5% of the total quota for a particular account or sales rep. Quota changes contained within a single country must be approved by the appropriate Country Sales

Manager. Quota changes contained within a region must be approved by both the appropriate Region Sales Manager and the Region Sales Compensation Manager.

III. MULTINATIONAL SALES

A. MULTINATIONAL SALES CREDIT SPLITS

Sales credit is split 50% to the sold-to country and 50% to the ship-to country for all hardware, software, technology services, consulting & integration, etc. An exception is sales credit for sales of standalone imaging and printing products which may be negotiated for multinational quota splits by imaging and printing country sales managers.

There is no minimum order/shipment value to qualify for a multinational sales credit split except for standalone imaging and printing products, and technology services (formerly customer support) agreement orders. Both shipments of standalone imaging and printing products, and also technology services agreement orders must have a CLCP greater than 100 thousand USD to qualify for a multinational sales credit split.

A multinational sales credit split will not be granted to an individual country sales rep for a technology services agreement order when their portion of the order is less than 25 thousand USD.

B. LARGE OPPORTUNITIES

Large opportunities are orders/shipments of hardware, software, technology services, consulting & integration, etc. that have a customer purchase order total CLCP greater than 1 million USD. Multinational sales credit is split 50% to the sold-to country and 50% to the ship to country.

1. The minimum technology services (formerly customer support) agreement order values do not apply.

2. Influence Selling Effort – With approval a country sales rep whose selling effort is influencing in nature (not the sold to or ship to country) is entitled to a 25% sales credit split. When a selling influencer role occurs in a large opportunity, the multinational sales credit split is 25% to the influence country, 25% to the sold to country and 50% to the ship to country. The following individuals approve the influence country sales effort crediting:

   -Corporate Accounts: The CBM

   -Enterprise Accounts: The sold-to Region Industry Vertical Manager (IVM)

   -Other Accounts: Country Sales Managers

3. Negotiated Splits (greater than 1 million USD) – Some situations may require negotiated splits.

   -Corporate Accounts – CBMs approve all splits

   -Other Accounts across Regions - Country Sales Managers may negotiate

- Other Accounts confined to countries within Asia Pacific & Japan – all opportunities (no USD value minimum) may be negotiated for multinational quota splits

C. INTERNATIONAL FUNDING ORGANIZATIONS

Pre-approved International Funding Organizations (examples - Export/Import Bank and Defense Security Cooperation Agency) require that orders be placed in their home country regardless of where the hardware/software products will be shipped and/or the services delivered. These exception orders are usually for multi-year turn key solutions and do not involve a Systems Integrator (SI) from the home country of the International Funding Organization. Since there is no sales rep involvement from the home country of the International Funding Organization all of the sales contribution comes from the destination countries. In these selling situations 100% quota is applied to the destination country.

IV. NETWORK SERVICE PROVIDERS

A. TELECOM RESELLERS

For pre-approved telecom resellers quota is split as follows:

1. When HP sells to a Network Equipment Provider (NEP) acting as an Original Equipment Manufacturer (OEM) who integrates HP products/services into their final solution that is resold to a Service Provider, 100% quota is applied to the NEP sales rep.

2. When HP sells to an NEP acting as a Value Added Reseller (VAR) of HP products/services (excluding renewals and managed services) that are resold to a service provider, 50% quota is split to the NEP headquarters (HQ) team in sold-to Country A and 50% quota is split to the NEP promoter sales rep in ship-to country B. Also, 100% quota is applied to the service provider sales rep in ship-to country B if that sales rep is a different person than the NEP promoter sales rep in country B. When the service provider sales rep is the same person as the NEP promoter sales rep, that sales rep will only receive quota once for a single transaction based on the account quota assigned (50% ship-to quota if the NEP promoter account assigned or 100% quota if the service provider account assigned).

3. When HP and an NEP cooperatively sell a solution of HP products/services (excluding renewals and managed services) to an end-user customer/service provider, 50% quota is split to the NEP HQ team in sold-to country A and 50% quota is split to the NEP promoter sales rep in ship-to country B. Also, 100% quota is applied to the end-user customer/service provider sales rep in ship-to country B if that sales rep is a different person than the NEP promoter sales rep in ship-to country B. When the service provider sales rep is the same person as the NEP promoter sales rep, that sales rep will only receive quota once for a single transaction based on the account quota assigned (50% ship-to quota if the NEP promoter account assigned or 100% quota if the service provider account assigned).

4. For an NEP that has been assigned a Client Business Manager (CBM) and a Services

Principal (SP), the CBM and the SP of the NEP HQ team each receive 100% compensation quota and the CBM and the SP of the end-user customer/service provider team each receive 100% compensation quota.

B. SERVICE PROVIDER PARTNERS

Service Provider Partners (SPP) joint go-to-market program promotes cooperation between service provider sales reps and end-user customer sales reps in joint sales activities. For pre-approved service provider accounts and solutions, the following sales credit is granted when both the service provider sales rep and the end-user customer sales rep team are jointly involved in one of the following sales motions:

- HP sells product/services (excluding renewals) to a service provider
- HP sells products/services (excluding renewals) to an end-user customer
- HP sells to both a service provider and an end-user customer

In these selling situations 100% sales credit is applied to the service provider sales rep as well as 100% sales credit for the hardware/software products and services is applied to the end-user customer sales rep team.

Also, for an SPP that has been assigned a Client Business Manager (CBM), Corporate Client Manager (CCM), and a Services Principal (SP), the CBM, CCM and the SP of the SPP team each receive 100% sales credit. The CBM of the end-user customer team receives 100% sales credit for the hardware/software products and services sold. The SP of the end-user customer team receives 100% sales credit for the services sold.

Implementation

Order cancellations are recorded against the sales rep that currently is responsible for the account. Should there have been a recent change in account responsibility, the sales rep that currently is responsible for the account receives the negative quota effects of the cancellation, even if crossing fiscal years, not the prior sales rep that formerly was responsible for the account.

Changes in anticipated customer payment such as bad debts loss, do not affect sales credit. Region/country sales credit adjustment rules that apply to returned products that were sold direct, also apply to lease cancellations that result in the return of products to HP.

The HP Treasury monthly accounting rates for each country be accessed at URL = http://finweb.corp.hp.com/treasury/fx/default.htm

Multinational sales credit splits that have been properly approved, but not yet implemented by selected countries, should be escalated to Worldwide Sales Compensation Operations for resolution.

The worldwide minimum threshold for Service Provider Partner (SPP) claims is orders/shipments with a CLCP of 25 thousand USD. Claims for all regions can be accessed at URL = http://spp.corp.hp.com .

Sales employees who fail to comply with the global HP End-User Customer Verification Policy or who willfully, knowingly or negligently facilitate sales of HP products that move outside the normal distribution model, may be subject to sales compensation sanctions, including the withholding of performance bonuses, stock options and cash incentives, and appropriate disciplinary action.

For system implementations of time periods, 180 days and 6 months are interchangeable.

References

Ownership of this policy rests with Worldwide Sales Support Operations. Questions may be forwarded to the Marketing Policy Manager.

Corporate Accounts Table
HP End-User Customer Verification Policy (216.0400)
HP Order Acceptance Policy (215.0400)
International Funding Organizations Table
Product Line Definition Table
Regional Booking Rule Guides
Service Provider Partners Table
Telecom Resellers Table
Worldwide Framework Sales Position Credit Rules

EXHIBIT 13

invent

SALES CREDIT

213.0100

This policy replaces the previous Sales Credit Policy. The following six major changes have been made to this policy:

1. With the goal of more clearly delineating where quota setting (planning) ends and where sales credit (transaction processing) begins, new section II. – Quota Application now contains the topics of Quota Allocation; Currency Conversion; and Quota Changes. Revised section III. – Sales Compensation now includes the topics of Sales Reps; Indirect Sales; Client Business Mgr, Corporate Client Mgr & Services Principal; Managed Services; Technology Management Solutions; Metrics and Incentive Performance Review.

2. Quota Allocation – II.A. Sales credit granted to sales reps and sales managers during the period must be aligned to the quota performance goals established at the beginning of the period with the exception of orders for new Managed Services engagements.

3. Quota Changes – II.C. Requests for quota changes must be fully documented and be a minimum for 5% of quotas that are less than or equal to a CLCP of 5 million USD for a particular account or sales rep. The quota changes must be a minimum of 3% of quotas that are greater than a CLCP of 5 million USD but less than or equal to a CLCP of 20 million USD. These quota changes that are contained within a single country must be approved by the appropriate Country Sales Manager. These quota changes that are contained within a region must be approved by both the appropriate Region Sales Manager and the Region Sales Compensation Manager.

   The quota changes must be a minimum of 1% of quotas that are greater than a CLCP of 20 million USD and must be approved by the appropriate Worldwide Sales Manager and Worldwide Finance Manager.

4. Indirect Sales – III.B. For indirect sales to a known end-user customer of all products and services in Asia Pacific & Japan and Europe Middle East & Africa that contain special pricing, sales credit is calculated as the CLCP to the channel partner/reseller net of actual discounts and price adjustments. For all other claims that do not contain special pricing, sales credit is calculated as the CLCP to the channel partner net of a weighted average discount.

5. Managed Services – III.D. Sales credit is granted to CBMs, CCMs, SPs and Enterprise Account Managers (EAM) for the sales of new managed services outsourcing engagements at the rate of 20% of the first year value of the contract. New business includes both the sale of a new outsourcing engagement (never existed before) to a new or existing customer for the first 12 months and also the resale of an outsourcing engagement to an existing customer that replaces an outsourcing engagement contract that has expired. An exception is Asia Pacific & Japan where new business quota is deployed to Enterprise Account Sales. These sales reps will be credited based on the first year value of the contract. For CBM/CCM/SP, APJ follows the Global 20% crediting rule without carrying quota.

6. Implementation – Sales Metric Codes for Managed Services can be found at URL = http://tsgonline.hp.com/hpspolicies/procedures/MS/docs/hps-120-02_v1.7.doc Sales Metric Codes for Technology Services can be found at URL =

SALES CREDIT

213.0100

http://ibsc.services.hp.com/na-SalesReferences.asp

Background

The principal method of recognizing sales representatives and sales entities for sales effort is sales credit. Sales credit drives compensation. As the sales process required in selling worldwide solutions becomes more complex it is usual for more than one party to be involved. In such situations, it is necessary to allocate sales credit in a manner that recognizes genuine sales contribution, is motivational to the parties involved, and minimizes inter-party conflicts. Multinational sales credit, which recognizes the multiple contributions of the sales team in obtaining orders and subsequent shipments/deliveries, permits this to occur.

This policy applies to all business groups with the exception of sales employees of HP Financial Services. Providing legal/negotiating resources to ensure that an end-user customer's contract is current and providing pre-sales effort with HP's products and services are cost relief situations that are not eligible for sales credit.

The following topics are included in this policy:

Policy

I. ASPIRE QUOTA

A. ASPIRE QUOTA SETTING

ASPIRE revenue is set in United States Dollars (USD) and is equivalent to orders/shipments net of discounts and price adjustments. Discounts are reductions in price for a specific performance such as signing a purchase agreement, pre-paying for a service, complying with the terms of a promotion, purchasing a used product, etc. Price adjustments are reductions in price granted equally by HP for an economic order quantity, price decrease protection, a support quantity price break, a trade-in allowance, etc.

ASPIRE quota is used by Regions, Global Business Units (GBU) and product lines to track actual order/shipment performance. ASPIRE quotas are established in USD after agreement from each business and the sales teams that plan to sell their products/services. An exception is quota is set in Japan in Yen and is equivalent to orders/shipments at Converted Local Currency Price (CLCP) net of discounts and price adjustments.

B. ELIGIBLE PRODUCTS/SERVICES

1. HP Products/Services

Sales representatives will be granted sales credit for all HP branded products/services within their assigned sales teams that are sold directly or indirectly to end-user customers, channel partners (SI's, VAR's, etc.) and resellers (dealers, retailers, etc. who stock inventory).

Sales credit is granted on the line-items of the order that have an HP product/service number (product/service number format includes either format of both pre-merger companies) and HP associated warranty. This allows both products purchased from other suppliers and also services sub-contracted for third party delivery that have been assigned an HP product/service number and associated HP warranty to be sold as HP branded products/services with corresponding sales credit.

All sales teams responsible for service projects receive sales credit for travel charges billed to customers, as this is revenue to HP. All sales teams receive sales credit for installation/site preparation charges and support agreements when they are sold up front.

All sales teams responsible for channel partners/resellers receive sales credit for supply chain services sold as products.

Replacement parts are booked at full value as a fiscal order/shipment. No sales credit is applied.

2. Non-HP Branded Products

Non-HP branded products that are sold to end-user customers, channel partners (SI's, VAR's, etc. and resellers (dealers, retailers, etc. who stock inventory) and not warranted by HP are booked at their net resale value as a fiscal order/shipment.

When HP sells non-HP branded accessories for personal computers as part of a solution, or when HP sells Fraud Management System (FMS) software as part of a solution, or when HP Japan sells non-HP branded products as part of the Consulting & Integration Focused Solutions program, sales reps receive sales credit for 100% of the non-HP branded products net resale value.

For all other non-HP branded products sold as part of a solution, sales reps receive 15% of

the non-HP branded products net resale value. An exception is Cisco products sold as part of a solution, for which sales reps receive 50% of the Cisco products net resale value.

Sales reps are not granted sales credit for selling non-HP branded products to channel partners and resellers, and to end-user customers when they are not part of a solution.

3. Non-HP Branded Services

Non-HP branded services that are subcontracted and not warranted by HP are booked at their net resale value as a fiscal order. No sales credit is applied.

4. Products/Services Exceptions

No sales credit is granted to non-HP Financial Services sales representatives for extensions of HP Financial Services leasing agreements that have expired.

C. QUOTA RECOGNITION

1. Hardware and Software

The following products and services must be ordered within 90 days of delivery/start of agreement for end-user customers, channel partners (SI's, VAR's, etc.) and resellers (dealers, retailers, etc. who stock inventory) to be recognized for quota and corresponding compensation:

- Hardware products and attached packaged services
- Software products and attached packaged services

Quota for orders for hardware/software products and attached packaged services are recognized at two different events. The quota for the hardware/software products is recognized when they are shipped and the quota for the attached packaged services is recognized when the order is placed. Depending on the country and the product, either revenue or invoice is used instead of shipments.

2. Support

2.a. New Support Agreements (not prepaid)

Orders for new support agreements require the order date of the agreement be within 180 days of the start date of the agreement. New support agreements will have the full amount recognized on the order date with a twelve-month maximum.

Add-ons (both single product and additional agreement) to existing upfront support agreements and ongoing support agreements require the order date of the add-on be within 180 days of the start date of the add-on, provided the order for the existing agreement has already been recognized. Add-ons will be recognized through the end of the existing agreement term with a twelve-month maximum.

2.b. Prepaid Support Agreements

Orders for new prepaid support agreements require the order date of the agreement be within 180 days of the start date of the agreement. New prepaid support agreements will have the full amount recognized on the order date.

Orders for prepaid extensions/renewals that are added to a current prepaid support agreement require the HP order date be no earlier than 90 days prior to the expiration date of the agreement. Prepaid extensions/renewals to current prepaid support agreements will have the full amount recognized on the order date.

New upfront prepaid packaged services purchased as part of the hardware/software sale will be recognized in their entirety.

Prepaid orders require the customer make HP a terms and purchase authorization commitment for a single payment for the total amount at the start of the support agreement. New packaged services purchased as part of the hardware/software sale financed by HP Finance are considered prepaid. Renewals that are financed through HP Finance will not be recognized at a prepaid value.

2.c. Renewal Support Agreements

Orders for renewal support agreements require the HP order date be within 90 days of the expiration date of the agreement. Standard renewals of support agreements will have the full amount recognized on the order date with a twelve-month maximum.

Order credit for conversions of packaged services and warranty conversions that are integrated into a support agreement renewal will be recognized at time of support agreement renewal. Conversions of annual support agreements to evergreen support agreements are treated as renewal support agreements.

2.d. Renewal Evergreen Support Agreements

An evergreen agreement is one in which the customer accepts an on-going contractual relationship with HP, where on an annual basis they receive reprice information and the agreement is automatically continued if not formally rejected. Annual renewals of evergreen support agreements will have the full amount recognized on the anniversary date of the agreement with a twelve-month maximum.

2.e. Multi-year Support Agreements (not prepaid)

A multi-year agreement is one in which the customer accepts a multiple year term. The customer can choose to provide HP with a multiple year purchase order upfront or issue annual purchase orders. If the customer provides HP with a multiple year purchase order upfront, the annual renewal will have the order recognized on the anniversary date of the original order with a twelve-month maximum. If the customer issues HP annual purchase orders, the annual renewal order date must be no earlier than 90 days prior to the expiration of the annual renewal cycle with a twelve-month maximum.

2.f. Per Event Services

Per Event Services must be ordered within 180 days of delivery/start of agreement.

Orders for a per event service may include complex hardware/software installations, assessments, advisory support, etc. If the scope of the work can be defined, planned and priced upfront, orders with a CLCP greater than 100 thousand USD may be booked with delivery scheduled over a maximum of twelve months. Orders for delivery past twelve months of the original order date will be entered in monthly or quarterly increments as they are included within the moving twelve-month window for required delivery. Orders with a CLCP less than 100 thousand USD may be booked with delivery scheduled over a maximum of three years.

If the scope of work is not planned and pricing cannot be defined upfront, quota recognition is after service delivery.

2.g. Per Call Time and Materials Services

Per call time and materials services, typically initiated directly through the service delivery organization for hardware/software not covered by an agreement, are booked as a fiscal shipment. No quota recognition towards quota fulfillment.

2.h. Education Services

Education services must be ordered within 180 days of delivery/start of agreement.

Orders for education services with a CLCP greater than 100 thousand USD may be booked with delivery scheduled over a maximum of twelve months. Orders for delivery past twelve months of the original order date will be entered in monthly or quarterly increments as they are included within the moving twelve-month window for required delivery.

Orders for education services with a CLCP less than 100 thousand USD may be booked with delivery scheduled over a maximum of three years.

3. Managed Services

3.a. Managed Services Agreements

New managed services may include Due Diligence or Transition and Ongoing agreement orders as separate transactions. The Due Diligence order includes evaluation of customer requirements, environment, needed infrastructure, etc.

The Transition services include setup of the customer's operations environment as a pre-requirement to enter into the Ongoing services, which are the contractually managed services. Transition services may be delivered by Consulting & Integration teams and/or by Managed Services teams. Transition and Ongoing services must be treated as one

agreement. The transition amount is spread over the total contract duration. The total contract value is booked in yearly twelve-month increments. An exception is when the customer purchases Transition services as a pilot, in which case Transition services are an extension of Due Diligence.

Orders for new managed services require the order date be within 180 days of the start date of the service. Orders for Due diligence (when negotiated as a separate transaction from the transition/ongoing services) will have the full amount recognized on the receipt of a purchase order or signed agreement, with a twelve-month maximum. Orders for new Transition and Ongoing managed services will have 50% of the amount recognized on the receipt of a purchase order or signed Letter of Commitment (LOC), with a twelve-month maximum. The remaining 50% of the amount will be recognized on the receipt of the signed Service Level Agreement (SLA), with a twelve-month maximum.

Add-ons to managed services agreements require the order date of the add-on be within 180 days of the start date of the add-on, provided the order for the existing agreement has already been recognized. Add-ons will be recognized through the end of the existing agreement's term with a twelve-month maximum, to align the add-on end date to the yearly periods of the original agreement.

3.b. Renewal Managed Services Agreements

Standard renewals, annual renewals of multi-year agreements, and evergreen managed services agreements will be recognized in yearly increments on the anniversary date (not the order date) of the first order/agreement.

3.c. Prepaid Managed Services Agreements

Orders for new or resold prepaid managed services agreements require the order date of the agreement be within 180 days of the start date of the agreement. All orders for prepaid managed services agreements will have the full amount recognized upon receipt of the signed Service Level Agreement (SLA).

Prepaid orders require the customer make HP a terms and purchase authorization commitment for a single payment for the total amount at the start of the managed services agreement. Managed services agreements financed by HP Finance are not considered prepaid.

3.d. Project Managed Services

Project managed services are standalone services which are not part of Due diligence, Transition or Ongoing services agreements. Instead, these are "one-off" projects negotiated separately from managed services agreements.

Orders for new project managed services require the order date be within 180 days of the start date of the services. Orders for new project managed services with a CLCP greater than 100 thousand USD may be booked with delivery scheduled over a maximum of twelve

months. Orders for delivery past twelve months of the original order date will be entered in monthly or quarterly increments as they are included within the moving twelve-month window for required delivery. Orders with a CLCP less than 100 thousand USD may be booked with delivery scheduled over a maximum of three years.

4. Consulting & Integration

Consulting & integration services must be ordered within 180 days of delivery/start of agreement.

Orders for consulting & integration with a CLCP greater than 100 thousand USD may be booked with delivery scheduled over a maximum of twelve months. Orders for delivery past twelve months of the original order date will be entered in monthly or quarterly increments as they are included within the moving twelve-month window for required delivery.

Orders for consulting & integration with a CLCP less than 100 thousand USD may be booked with delivery scheduled over a maximum of three years.

An exception are Transition services delivered by Consulting & Integration as part of a managed services agreement for which the transition amount is spread over the total contract duration and the total contract value is booked in yearly twelve-month increments.

5. Pay Per Use and Utility Sales

A Pay Per Use (PPU) agreement is one in which the customer pays a monthly fee that is calculated on a fixed predefined fee plus variable usage fee (based on monthly usage) for the use of HP products/services. A Utility agreement is one in which the customer pays a monthly variable fee that is calculated on actual usage of the HP products/service. PPU and Utility sales have custom terms and conditions and are usually managed through HP Financial Services.

Quota recognition is for the net CLCP of the HP products shipped to the customer. No quota recognition for estimated usage.

Quota recognition is for the twelve month value of the HP annuity services associated with the products shipped, provided that (1) the customer is contractually obligated to pay a minimum usage fee over the life of the agreement that guarantees HP payment for the products shipped to the customer site(s) or (2) the customer is contractually obligated to pay for the residual value of the products shipped to the customer site(s) if the agreement is terminated prematurely. If these contractual conditions are not satisfied, quota recognition is for the monthly usage fees over the first twelve months of the agreement (includes amortized hardware plus service value).

6. Lifecycle Sales

A Lifecycle custom agreement is one in which HP agrees to deliver, install, and support a large volume of products over a multiyear period in phases. Quota recognition is for the net CLCP of the HP products/services that the customer contractually commits to take delivery of during the first twelve months of the agreement. No quota recognition for

estimated numbers of products/services that are expected to be delivered.

Quota recognition is for products/services that the customer contractually commits to take delivery for each subsequent delivery phase of the agreement. If these contractual conditions are not satisfied, quota recognition is after product shipment/service delivery.

7. Extended Delivery

Orders for hardware and software products that cannot be manufactured within 90 days and require notification to supplying division(s) for their material requirements planning (MRP) may be booked with delivery scheduled for a maximum of one year for quota recognition.

Orders for products/services (not buying agreements, letters of intent, etc.) from national governments placed under their multi-year pricing policy when legally required may be booked with delivery scheduled over a maximum of three years for quota recognition, excluding orders for non-prepaid consulting & integration services, managed services, and customer support agreements. HP will make available the products/services specified in the multi-year agreement at the specified price and for the specified time period (Special code 13 – Contract Performance Requirement).

II. QUOTA APPLICATION

A. QUOTA ALLOCATION

100% of all quota must be allocated as performance goals to sales reps at the beginning of each period. Sales credit granted to sales reps and sales managers during the period must be aligned to the quota performance goals established at the beginning of the period with the exception of orders for new Managed Services engagements. Sales reps may exceed the performance goals established at the beginning of the period since there are no per deal limitations.

Each region sales management team must ensure that ASPIRE quotas are properly uplifted to cover planning variation and business risks for the products/services they sell. Exceptions to the prescribed uplift factor ranges for each six month period must be approved by the Worldwide Business Finance Manager. If there are unexpected vacant accounts/territories during the period, no more than 20% of the total quota can be unallocated to sales reps and held at the sales manager level.

B. CURRENCY CONVERSION

Local currency is converted to USD based upon the HP Treasury Business Unit Pricing Rates available. If pricing rates are not available from treasury, the Accounting rates will be applied. A business process that requires a region/country to convert from local currency to USD such as a credit adjustment may use the appropriate accounting rate to mitigate the complexity of that process.

C. QUOTA CHANGES

Significant changes in a particular marketplace that are often caused by acquisitions, divestitures, mergers, outsourcing, privatization, etc., may be reviewed for individual changes to existing quotas. Requests for quota changes must be fully documented and be a minimum of 5% of quotas that are less than or equal to a CLCP of 5 million USD for a particular account or sales rep. The quota changes must be a minimum of 3% of quotas that are greater than a CLCP of 5 million USD but less than or equal to a CLCP of 20 million USD. These quota changes that are contained within a single country must be approved by the appropriate Country Sales Manager. These quota changes that are contained within a region must be approved by both the appropriate Region Sales Manager and the Region Sales Compensation Manager.

The quota changes must be a minimum of 1% of quotas that are greater than a CLCP of 20 million USD and must be approved by the appropriate Worldwide Sales Manager and Worldwide Finance Manager.

III. SALES COMPENSATION

A. SALES REPS

For sales that involve both a generalist account sales rep and a product/service specialist, both parties receive 100% sales credit. The product specialist only receives 100% sales credit for the products/services for which they are responsible.

For sales situations where a sales rep performs two separate functions in securing a particular order, sales credit is only granted for one sales function per sales rep per order.

B. INDIRECT SALES

For indirect sales to a known end-user customer of:

- all products and services in Asia Pacific & Japan and Europe Middle East & Africa that contain special pricing, sales credit is calculated as the CLCP to the channel partner/reseller net of actual discounts and price adjustments. For all other claims that do not contain special pricing, sales credit is calculated as the CLCP to the channel partner net of a weighted average discount.

- all products and services in Americas, sales credit is calculated either as a percentage of the CLCP for the product or as the CLCP to the channel partner/reseller net of discounts and price adjustments.

Sales credit is not granted to a direct sales rep for indirect sales when the end-user customer is not known.

C. CLIENT BUSINESS MGR, CORPORATE CLIENT MGR & SERVICES PRINCIPAL

The Client Business Manager (CBM) receives 100% sales credit for their account for all

orders/shipments from all countries regardless of where quota has been deployed. For multinational transactions the CBM receives 100% sales credit for the value of the orders/shipments. This includes the sales credit for services plus the non-HP branded products/services orders for their account. The CBM is measured on the total sales credit for hardware/software products plus total sales credit for all services for their account.

The Corporate Client Manager (CCM) is measured exactly as the CBM except the scope of their assignment is less than the entire account.

The Services Principal (SP) receives 100% sales credit for their account for all services orders from all countries regardless of where quota has been deployed. For multinational transactions the SP receives 100% sales credit for the value of the orders. The SP is measured on the total sales credit for services plus the non-HP branded products/services orders for their account.

D. MANAGED SERVICES

Sales credit is granted to CBMs, CCMs, SPs and Enterprise Account Managers (EAM) for the sales of new managed services outsourcing engagements at the rate of 20% of the first year value of the contract. New business includes both the sale of a new outsourcing engagement (never existed before) to a new or existing customer for the first 12 months and also the resale of an outsourcing engagement to an existing customer that replaces an outsourcing engagement contract that has expired. An exception is Asia Pacific & Japan where new business quota is deployed to Enterprise Account Sales. These sales reps will be credited based on the first year value of the contract. For CBM/CCM/SP, APJ follows the Global 20% crediting rule without carrying quota.

Sales credit is not granted for existing hardware/software products that are acquired as a result of a new managed services outsourcing engagement.

Sales credit is granted only to CBMs, CCMs, and SPs at the twelve month anniversary date for add-ons and renewals (ongoing business) of existing managed services agreements.

Sales credit is granted to the sales representative at the shipment/order date for additional new hardware/software products and services that are incremental to the existing installed base when the new managed services agreement was signed.

E. TECHNOLOGY MANAGEMENT SOLUTIONS

A Technology Management Solution (TMS) custom agreement is one in which HP agrees to deploy, support or out task an end-user customer's distributed or data center environment that could include both HP and multi-vendor hardware/software. If the customer submits a multi-year purchase order, sales credit is granted for 125% of the first twelve month value (not total contract value - TCV) of the HP annuity services provided that the new (not renewal) TMS custom agreement is:

- for a minimum of three years,

- has a net CLCP value of at least 300 thousand USD TCV for Business Continuity Services,

- has a net CLCP value of al least four million USD TCV in large countries or two million USD TCV in small countries for all other services, and

- has a net CLCP value at least 50% greater than the end-user customer's current support agreement.

The appropriate region sales manager classifies the countries within their region as either large or small. Add-on orders will be granted 125% sales credit of the value for the remaining months of the first year of the TMS custom agreement.

F. METRICS

Metrics used for the purposes of sales compensation may include financial results, margin, orders, shipments, supply chain functions, Total Customer Experience (TCE) or volume direct goals.

The CBM, SP and Corporate Client Managers (CCM) assigned to each of the 15 Top Corporate Accounts are measured on financial net results.

Margin is equal to the transaction net value (orders or shipments) less the product/service cost. The product/service cost can be determined by actual product/service cost or proxy (product mix) rates. Any margin calculation used for sales rep metrics and thus available for sales reps to access is subject to approval from Corporate and Sales Finance Controllers as well as the Corporate Legal function.

The order certification date is the date that the end-user customer/channel partner, the sales rep and order management all agree that the order is complete and meets HP's Order Acceptance Policy requirements. The date that appears on the Detail Order Record (DOR) or similar system generated order transaction of record is the date used to recognize sales credit. It is not the date when the first details of a potential order were gathered.

The date that appears on the Detail Shipment Record (DSR) or similar system generated shipment transaction of record is the date used to recognize sales credit. It is not an estimate of or the actual delivery date to a specific end-user customer/channel partner and may not always represent the date of first movement of a product from HP to the end-user customer or channel partner.

Sales credit to HP sales professionals, for a given sales measurement period, stops on the cutoff date published by each Region Sales Compensation Operations team. Sales credit that is not processed during a given sales measurement period as a result of missing a cutoff date, will be processed during the next sales measurement period. Sales credit will not be retroactively processed for missing a cutoff date.

IV. MULTINATIONAL SALES

A. MULTINATIONAL SALES CREDIT SPLITS

Sales credit is split 50% to the sold-to country and 50% to the ship-to country for all

hardware, software, technology services, consulting & integration, etc. An exception is sales credit for sales of standalone imaging and printing products which may be negotiated for multinational quota splits by imaging and printing country sales managers.

There is no minimum order/shipment value to qualify for a multinational sales credit split. An exception are shipments of standalone imaging and printing products, and also technology services agreement orders, both of which must have a CLCP greater than 100 thousand USD to qualify for a multinational sales credit split.

A multinational sales credit split will not be granted to an individual country sales rep for a technology services agreement order when the amount split to their country is less than 25 thousand USD per foreign country.

B. LARGE OPPORTUNITIES

Large opportunities are orders/shipments of hardware, software, technology services, consulting & integration, etc. that have a customer purchase order total CLCP greater than 1 million USD. Multinational sales credit is split 50% to the sold-to country and 50% to the ship to country.

1. The minimum technology services (formerly customer support) agreement order values do not apply.

2. Influence Selling Effort – With approval a country sales rep whose selling effort is influencing in nature (not the sold to or ship to country) is entitled to a 25% sales credit split. When a selling influencer role occurs in a large opportunity, the multinational sales credit split is 25% to the influence country, 25% to the sold to country and 50% to the ship to country. The following individuals approve the influence country sales effort crediting:

- Corporate Accounts: The CBM

- Enterprise Accounts: The sold-to Region Industry Vertical Manager (IVM)

- Other Accounts: Country Sales Manager of the influencing sales rep

- Negotiated Splits (greater than 1 million USD) – Some situations may require negotiated splits.

- Corporate Accounts – CBMs approve all splits

- Other Accounts across Regions - Country Sales Managers may negotiate

- Other Accounts confined to countries within Asia Pacific & Japan – all opportunities (no USD value minimum) may be negotiated for multinational sales credit splits

C. INTERNATIONAL FUNDING ORGANIZATIONS

Pre-approved International Funding Organizations (examples - Export/Import Bank and Defense Security Cooperation Agency) require that orders be placed in their home country regardless of where the hardware/software products will be shipped and/or the services delivered. These exception orders are usually for multi-year turn key solutions and do not

involve a Systems Integrator (SI) from the home country of the International Funding Organization. Since there is no sales rep involvement from the home country of the International Funding Organization all of the sales contribution comes from the destination countries. In these selling situations 100% sales credit is applied to the destination country.

V. NETWORK SERVICE PROVIDERS JOINT-GO-TO-MARKET

The Network Service Providers Joint-Go-To-Market (NSP JGTM) program replaces both the former Telecom Resellers Split Program (TRSP) and the former Service Provider Partners (SPP) program.

For pre-approved NSP JGTM partners, when HP sells HP products/services (excluding support renewals and managed services)

1) to an NSP JGTM partner acting as a Value Added Reseller (VAR) who resells to an end-user customer/service provider

or 2) cooperatively with an NSP JGTM partner to an end-user customer/service provider,

or 3) to an NSP JGTM partner who provides the end-user customer a solution/service where the NSP JGTM partner takes title to the products/services without transferring product ownership to the end-user,

50% sales credit is split to the NSP JGTM headquarters (HQ) team in sold-to Country A and 50% sales credit is split to the NSP JGTM promoter sales rep in ship-to country B. If there is no promoter sales rep in ship-to country B, then the NSP JGTM headquarters team receives 100% sales credit.

Also, 100% sales credit is applied to the end-user customer/service provider sales rep in ship-to country B if that sales rep is a different person than the NSP JGTM promoter sales rep in ship-to country B. When the end-user customer/service provider sales rep is the same person as the NSP JGTM promoter sales rep, that sales rep will only receive sales credit once for a single transaction based on the account quota assigned (up to a maximum 100% sales credit).

Each NSP JGTM claim with a CLCP greater than 100 thousand USD must be approved by either the CBM of the Network Equipment Provider/Service Provider or the Global Inbound Corporate Accounts Manager. The worldwide minimum threshold for NSP JGTM claims is orders/shipments with a CLCP of 50 thousand USD. An exception is Nokia for which the minimum threshold for NSP JGTM claims is orders/shipments with a CLCP of 25 thousand USD.

Implementation

Order cancellations are recorded against the sales rep that currently is responsible for the account. Should there have been a recent change in account responsibility, the sales rep that currently is responsible for the account receives the negative quota effects of the cancellation, even if crossing fiscal years, not the prior sales rep that formerly was

responsible for the account.

Sales employees who fail to comply with the global HP End-User Customer Verification Policy or who willfully, knowingly or negligently facilitate sales of HP products that move outside the normal distribution model, may be subject to sales compensation sanctions, including the withholding of performance bonuses, stock options and cash incentives, and appropriate disciplinary action.

Changes in anticipated customer payment such as bad debts loss, do not affect sales credit. Sales credit adjustment rules that apply to returned products that were sold direct, also apply to lease cancellations that result in the return of products to HP.

Multinational sales credit splits that have been properly approved, but not yet implemented by selected countries, should be escalated to Worldwide Sales Compensation Operations for resolution.

The HP Treasury pricing and accounting foreign exchange conversion rates are located at URL = http://finance.hp.com/treasury/fx

General information about the Network Service Providers Joint-Go-To-Market (NSP JGTM) program can be found at URL = http://nsponline.hp.com/jgtm/jgtm_claims.htm. All cross-regional claims for NSP JGTM must be submitted at URL = http://i3107spa.atl.hp.com:4082/mcw/index.jsp

Sales Metric Codes for Managed Services can be found at URL = http://tsgonline.hp.com/hpspolicies/procedures/MS/docs/hps-120-02_v1.7.doc Sales Metric Codes for Technology Services can be found at URL = http://ibsc.services.hp.com/na-SalesReferences.asp

For system implementations of time periods, 180 days and 6 months are interchangeable.

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SALES CREDIT

213.0100

References

The following exceptions that are included in the policy are also summarized here for easy reference:

ASPIRE QUOTA SETTING

ASPIRE quotas are established in USD after agreement from each business and the sales teams that plan to sell their products/services. An exception is quota is set in Japan in Yen and is equivalent to orders/shipments at Converted Local Currency Price (CLCP) net of discounts and price adjustments.

NON-HP BRANDED PRODUCTS

For all other non-HP branded products sold as part of a solution, sales reps receive 15% of the non-HP branded products net resale value. An exception is Cisco products sold as part of a solution, for which sales reps receive 50% of the Cisco products net resale value.

MANAGED SERVICES

An exception is Asia pacific & Japan where new business quota is deployed to Enterprise Account Sales. These sales reps will be credited based on the first year value of the contract. For CBM/CCM/SP, APJ follows the Global 20% crediting rule without carrying quota.

MULTINATIONAL SALES CREDIT SPLITS

Sales credit is split 50% to the sold-to country and 50% to the ship-to country for all hardware, software, technology services, consulting & integration, etc. An exception is sales credit for sales of standalone imaging and printing products which may be negotiated for multinational quota splits by imaging and printing country sales managers.

There is no minimum order/shipment value to qualify for a multinational sales credit split. An exception are shipments of standalone imaging and printing products, and also technology services agreement orders, both of which must have a CLCP greater than 100 thousand USD to qualify for a multinational sales credit split.

NETWORK SERVICE PROVIDERS JOINT-GO-TO-MARKET

The worldwide minimum threshold for NSP JGTM claims is orders/shipments with a CLCP of 50 thousand USD. An exception is Nokia for which the minimum threshold for NSP JGTM claims is orders/shipments with a CLCP of 25 thousand USD.

Ownership of this policy rests with Worldwide Sales Support Operations. Questions may be forwarded to the Marketing Policy Manager.

For additional information see:

Corporate Accounts Table
HP End-User Customer Verification Policy (216.0400)
HP Order Acceptance Policy (215.0400)
Regional Sales Credit Implementation Guides

EXHIBIT 14

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SALES CREDIT

213.0100

This policy replaces the previous Sales Credit Policy. The following six major changes have been made to this policy:

1. With the goal of more clearly delineating where quota setting (planning) ends and where sales credit (transaction processing) begins, new section II. – Quota Application now contains the topics of Quota Allocation; Currency Conversion; and Quota Changes. Revised section III. – Sales Compensation now includes the topics of Sales Reps; Indirect Sales; Client Business Mgr, Corporate Client Mgr & Services Principal; Managed Services; Technology Management Solutions; Metrics and Incentive Performance Review.
2. Quota Allocation – II.A. Sales credit granted to sales reps and sales managers during the period must be aligned to the quota performance goals established at the beginning of the period with the exception of orders for new Managed Services engagements.
3. Quota Changes – II.C. Requests for quota changes must be fully documented and be a minimum for 5% of quotas that are less than or equal to a CLCP of 5 million USD for a particular account or sales rep. The quota changes must be a minimum of 3% of quotas that are greater than a CLCP of 5 million USD but less than or equal to a CLCP of 20 million USD. These quota changes that are contained within a single country must be approved by the appropriate Country Sales Manager. These quota changes that are contained within a region must be approved by both the appropriate Region Sales Manager and the Region Sales Compensation Manager.

   The quota changes must be a minimum of 1% of quotas that are greater than a CLCP of 20 million USD and must be approved by the appropriate Worldwide Sales Manager and Worldwide Finance Manager.
4. Indirect Sales – III.B. For indirect sales to a known end-user customer of all products and services in Asia Pacific & Japan and Europe Middle East & Africa that contain special pricing, sales credit is calculated as the CLCP to the channel partner/reseller net of actual discounts and price adjustments. For all other claims that do not contain special pricing, sales credit is calculated as the CLCP to the channel partner net of a weighted average discount.
5. Managed Services – III.D. Sales credit is granted to CBMs, CCMs, SPs and Enterprise Account Managers (EAM) for the sales of new managed services outsourcing engagements at the rate of 20% of the first year value of the contract. New business includes both the sale of a new outsourcing engagement (never existed before) to a new or existing customer for the first 12 months and also the resale of an outsourcing engagement to an existing customer that replaces an outsourcing engagement contract that has expired. An exception is Asia Pacific & Japan where new business quota is deployed to Enterprise Account Sales. These sales reps will be credited based on the first year value of the contract. For CBM/CCM/SP, APJ follows the Global 20% crediting rule without carrying quota.
6. Implementation – Sales Metric Codes for Managed Services can be found at URL = http://tsgonline.hp.com/hpspolicies/procedures/MS/docs/hps-120-02_v1.7.doc Sales Metric Codes for Technology Services can be found at URL =